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Japan

Tokyo To Ask About 'Secret' Cambodian Accord

OW1408085791 Tokyo KYODO in English 0833 GMT 14 Aug 91

[Text] Tokyo, Aug. 14 KYODO—Japan will query China and Vietnam over a recent report that the two countries have reached a secret understanding on the future of Cambodia, Foreign Ministry sources said Wednesday. "We will have to see what they have to say on this subject," said one source. "It remains to be doublechecked."

Beijing-based East European and Asian diplomats Tuesday reportedly confirmed rumors that Beijing and Hanoi had concluded a secret accord that would minimize an interim United Nations presence in Cambodia and accept participation by the notorious Khmer Rouge in a new government.

Last week, the two countries issued a joint communique at the end of a three-day vice foreign ministers' meeting in Beijing, saying they both want a Cambodian peace settlement based on the UN peace plan drawn up last year.

China and Vietnam also welcomed progress made in recent meetings of the Supreme National Council (SNC), Cambodia's transitional ruling body, applauded the appointment of Prince Norodom Sihanouk as SNC leader, and pledged to respect decisions made unanimously by the council.

But the communique did not link a normalization of Sino-Vietnamese relations to a Cambodian peace settlement, representing a break from China's previous pronouncements.

Relations between the traditional adversaries, who have backed opposing Cambodian factions since 1979, have warmed considerably over the past two months.

Some Asian and Western diplomats have expressed concern that China and Vietnam might want to broker their own solution to the conflict, bypassing free elections required by the UN plan.

Vietnamese officials reportedly have expressed concern in private about a "China solution" to the conflict that would cut Hanoi out of the peace process and reduce its influence over the government in Phnom Penh.

Chinese Woman Seeking Political Asylum Deported

OW1408075391 Tokyo KYODO in English 0644 GMT 14 Aug 91

[Text] Nagasaki, Aug. 14 KYODO—Japanese immigration authorities Wednesday sent home a Chinese woman whose two-year struggle for political asylum in Japan came to a sudden end Tuesday with the issuance of a deportation order.

Lin Guizhen, 24, was put on a China Eastern Airline jet bound for Shanghai at Nagasaki Airport shortly after midnight Tuesday and sent home despite appeals by her attorneys to the Justice Ministry.

Lin claimed she faced political persecution back in China because she had taken part in pro-democracy demonstrations in her native Fujian Province.

Six months after her arrival on Okinawa with 230 other Chinese refugees, Lin filed a suit in March 1990 against immigration authorities for denying her claim to asylum.

She was the first of nearly 3,000 Chinese sent home over the last two years to challenge the immigrations authorities' deportation orders and sue for political refugee status.

Attorneys representing Lin petitioned the Justice Ministry to rescind the deportation order issued Tuesday, saying action in the two trials is still pending and that the decision is "unusual from a humanitarian standpoint."

"We can only think this surprise notification is meant to crush the trials, and we doubt the Japanese Government's sense of human rights," said Tadashi Yoshino, one of Lin's attorneys.

"We want to continue with the trials and appeal to even the United Nations," he said.

A Fukuoka lawyers' group has backed Lin's claim that she took part in the Fujian Province democratic movements and that she was in danger of persecution if she went back.

The Fukuoka Immigration Bureau, however, contended that she only came to Japan to seek work.

About 60 Chinese showed up at the cargo gate of the airport Wednesday morning to protest Lin's deportation.

In April 1990, immigration authorities deported the Chinese hijacker of an Air China jet who claimed he took part in the June 1989 demonstration in Tiananmen Square and was seeking political asylum in Japan.

Trade Surplus With EC Makes Officials 'Uneasy'

OW1408102991 Tokyo KYODO in English 0825 GMT 14 Aug 91

["Japan Headed for Record Trade Surplus With EC (by Mitsuru Mabuchi)"—KYODO headline]

[Text] Tokyo, Aug. 14 KYODO—The July trade figures indicate that 1991 may be a return to the politically painful surpluses of the past.

The rapidly growing trade surpluses with the European Community (EC) and newly industrializing economies (NIES) of Asia are making Japanese officials uneasy.

Of special concern is Japan's trade imbalance with the EC.

EC Commission President Jacques Delors raised the specter of European protectionism when he visited Tokyo in May.

Delors cited the 30 billion dollars in Japan's favor for fiscal 1991 as a critical mass.

The Industrial Bank of Japan (IBJ) projects Japan's surplus with the EC in fiscal 1991 will hit a record 25 billion dollars, up from 21.3 billion dollars in the previous year.

The surplus with the 12-member trade bloc in the past seven months already amounted to 16.24 billion dollars.

"Japan's trade structure is liable to create a larger surplus with the EC and the rest of Asia," said Atsushi Nakajima, senior economist at the IBJ's research department.

The trade imbalance with the EC is a product of brisk Japanese exports and softening imports from the region.

Contributing to the increase in exports to Europe were three factors—the upswing in demand from unified Germany, competitiveness of Japanese high-technology products in areas other than price, and the yen's appreciation against the dollar since last autumn which pushed up the dollar-denominated value of exports.

Most economists agree, however, that the "German factor," which accounted for a significant share of Japan's Europe-bound exports, will eventually diminish.

But Nakajima cautions that exports of Japan's highly competitive electronic products are not likely to subside easily even if the yen's appreciation shoots up their import prices.

Since 40 to 45 percent of exports to the EC are denominated in the yen currency, compared with 15-17 percent for U.S.-bound exports, a stronger yen translates into larger export values, he noted.

On the import side, the deluge of luxury European products such as Bayerische Motoren Werke (BMW) cars, impressionist art works and Channel clothing has slowed markedly as Japan's "bubble economy" in the go-go '80s has burst.

The Japanese appetite for such upscale goods is not expected to match former levels in the foreseeable future.

"We cannot expect any powerful upturn in imports from the EC," said Moritoshi Hattori, chief manager at Mitsubishi Bank's economic research department.

The EC was Japan's most dynamic trade frontier in the latter half of the 1980s. Exports to the EC has almost doubled since 1985 in terms of volume, while those to the U.S. have remained flat, according to IBJ estimates.

Imports from the EC more than tripled in volume during the same period.

"EC and Asia are becoming the principal sources of Japan's trade surplus, probably replacing the U.S.," IBJ's Nakajima said.

The imbalance with the U.S., although still sizable, will remain capped by voluntary export restrictions and other "political" measures, he said.

Japan's trade officials, however, downplayed any serious misgivings they might have about the growing imbalance with the EC.

"We don't know yet whether the current trend will continue over the long run," said Toshiaki Kitamura, who handles trade affairs with the EC at the Ministry of International Trade and Industry.

"As German demand eventually falters, an adjustment is likely to occur...so I don't believe (the surplus) will become a political issue," Kitamura said.

Taiwan GATT Membership Welcomed 'in Principle'

OW1308233991 Tokyo KYODO in English 2305 GMT 13 Aug 91

[Text] Tokyo, Aug. 14 KYODO—Japan welcomes "in principle" the prospect of Taiwan's entry into the General Agreement on Tariffs and Trade (GATT), Foreign Ministry sources said Tuesday.

But the sources indicated that, in order to avoid offending China, which opposes Taiwan's entry under a Taipei formula, Japan will refrain from formally expressing its support.

"The Japanese position on this issue is that we welcome, in principle, Taiwan's becoming a member of GATT and complying with the multilateral system of trade," said one source.

"We sincerely hope a consensus on this matter can be achieved smoothly among the members of GATT," he said.

Taiwan, prompted by last month's pledge of active support from U.S. President George Bush and backing from an increasing number of European countries, has reportedly begun preparing for membership in the Geneva-based organization which oversees trade-liberalizing agreements.

"We are certainly aware of the new position expressed by the Bush administration and some of the feelings expressed by other countries," said another Foreign Ministry source.

The source said it would be premature, however, for Japan to make a similar public expression of support, but added that Japan is nevertheless "carefully considering" Taiwan's application, which it submitted to GATT in January 1990.

"We know Taiwan plays an important role in international economic affairs, especially in trade, but at the same time we know that China has taken a particular position about (Taiwan's entry into GATT)," the source said.

"So we have to take into account bilateral relations with Beijing," he added.

Beijing, which views Taiwan as a renegade province, has argued it would be "illegal" for GATT to accommodate "two Chinas."

It holds that Taiwan should only be allowed to enter GATT after China is granted full membership, and then only as a customs territory of China.

The formula envisioned by Beijing would be similar to that by which Hong Kong joined GATT under British sponsorship.

Taiwan, meanwhile, has applied to accede to GATT as a separate customs territory under Article 33 of the body's charter, using the name "Taiwan, Penghu, Kinmen, Matsu."

The article leaves GATT membership open to a government acting on behalf of "a separate customs territory possessing full autonomy in the conduct of its external commercial relations," as long as the terms of membership are agreed to by a two-thirds majority of GATT members.

The CHINA DAILY earlier this month quoted trade ministry official Li Zhongzhou as saying that Taiwan "is indulging in wishful thinking if it believes it might get approval by a two-third's majority."

Taiwan says that as the world's 13th largest exporting nation and one that has taken major steps to open up its markets, it is entitled to a seat on GATT.

A Japanese Foreign Ministry source suggested that GATT membership for Taiwan would compel it to drop the "unreasonable" discriminatory tariffs it slaps on imports of Japanese products.

Ministry Says Disparity in Vote Widens

OW1408095891 Tokyo KYODO in English 0817 GMT 14 Aug 91

[Text] Tokyo, Aug. 14 KYODO—Each vote in six heavily populated districts for the House of Representatives is worth so much less than one vote in the least populated district that the disparity is unconstitutional under a Supreme Court ruling, the Home Affairs Ministry said Wednesday.

The number of such electoral districts has doubled from three the previous year, the ministry said in a report based on Japan's officially registered population as of March 31.

It said the disparity in the value of one vote between the most sparsely populated and the most heavily populated constituencies for the powerful lower house was 3.34, up from 3.26 last year.

The Supreme Court ruled in 1983 that a disparity of three times or greater in elections for the House of Representatives violates the constitutional guarantee of equality under the law.

The No. 4 constituency in Kanagawa Prefecture has the most voters per Diet member with 460,265, the ministry report said, while the No. 8 Tokyo constituency had the fewest voters per representative, just 137,960.

This means that one ballot in the No. 8 Tokyo constituency—in the center of the capital—is worth 3.34 times as much as one in the No. 4 Kanagawa constituency and 3.33 times as much as one in the No. 4 Chiba constituency.

There are four other constituencies where one ballot is worth less than one-third as much as a vote in the No. 8 Tokyo constituency—the No. 5 and the No. 1 constituencies in Saitama, the No. 3 constituency in Kanagawa, and the No. 2 district in Saitama, the report said.

An electoral reform bill proposed by the ruling Liberal Democratic Party (LDP) would reduce the maximum disparity among districts to 2.15.

But all the opposition parties oppose the plan, which they say would keep the LDP in power virtually forever by replacing the current multiple-seat constituencies with a system combining single- seat constituencies and proportional representation.

For the House of Councillors, the highest disparity between districts was 6.40, up from 6.30 last year, the report said.

The Tottori Prefectural constituency has the fewest voters per upper house legislator in the nation, 309,912. One ballot there was worth 6.40 times as much as one in the most populated Kanagawa Prefecture constituency, which has 1,982,880 voters.

Each vote for a House of Councillors member in Saitama, Tokyo, Osaka, and Chiba is also worth less than one fourth as much as a vote in Tottori Prefecture.

LDP Faction Allegedly Receives Money

OW1408103691 Tokyo KYODO in English 1018 GMT 14 Aug 91

[Text] Sendai, Aug. 14 KYODO—The Sagawa Kyubin Group of transportation companies paid a total of 35 million yen to conservative politicians in undeclared political donations in 1988- 1989, according to court revelations Wednesday.

The revelations, made by a Sagawa Kyubin employee at the Sendai District Court, indicated another link between conservative politicians and the Sagawa Group, a forwarding business giant.

Copies of court documents, obtained by KYODO NEWS SERVICE, quoted an official of Tohoku Sagawa Kyubin Co. as testifying that his company provided 10 million yen in 1988 to one of five factions in the ruling Liberal Democratic Party [LDP].

The faction, called the Seiwa-Kai, was then headed by the late Shintaro Abe and is currently headed by Hiroshi Mitsuzuka.

Tohoku Sagawa also sent 25 million yen to the Sagawa Kyubin Group's Kyoto head office in 1989 as election funds for two conservative candidates in local elections, the documents said.

Tohoku Sagawa is known to have paid 8 million yen in consultant fees to a business company which has links with Mitsuzuka.

The Tohoku Sagawa official was testifying before the court as a witness in a hearing on a damages suit filed by the 47-year-old former president of Tohoku Sagawa, who was dismissed in September 1989.

Kiyoshi Sagawa, leader of the Sagawa Kyubin Group, said he had arranged political donations to LDP politicians by himself and never used the group's money as election funds.

Mitsuo Tezuka, a spokesman of the Seiwa-Kai faction, said the group never received donations from the Sagawa Group.

The Sagawa Kyubin Group, established by Sagawa in 1957, comprises 100 forwarding firms with a total work force of 21,000, and operates 13,000 trucks. Its sales totaled 600 billion yen in 1990.

Panel Discussion Views Securities Scandal

OW1308102991 Tokyo NHK General Television Network in Japanese 0000 GMT 11 Aug 91

[Panel discussion with political and government representatives: Mutsuki Kato of the Liberal Democratic Party; Masaru Hayakawa of the Social Democratic Party of Japan; Akinori Mineyama of Komeito; Hiroshi Kikunami of the Japan Communist Party; Kansei Nakano of the Democratic Socialist Party; and Deputy Chief Cabinet Secrertary Tadamori Oshima—moderated by NHK commentator Ichiro Maeda; program entitled "How Should The Securities Scandal Issue Be Tackled?"—live or recorded]

[Text] [Maeda] The extraordinary session of the Diet has opened. Last week, Prime Minister Kaifu gave policy speeches, and representative of the parties spoke in interpellation. In the course of these speeches, it has become clear that at the focus of this Diet session are the three points: The securities scandal, political reform, and cooperation in the UN peacekeeping operations. The opposition parties have brought up the question of clarifying the securities scandal as the top priority issue in particular. Today, we have invited people in charge of policies in their respective parties, and a deputy chief cabinet secretary from the government, to participate in a discussion on the securities scandal. Welcome to this program.

I would like to begin by asking you how you felt about the policy speeches of the prime minister and the party representatives' questions. Mr. Kato of the Liberal Democratic Party [LDP], what is your comment on it?

[Kato] I myself had the pleasure of representing our party in the interpellation at the House of Representatives. We meant the extraordinary session to be a session for political reform, but I feel it is becoming one in which the securities question will also be discussed. Also, by all means, the peacekeeping operations question needs to be taken care of by this Diet. If the question remains unresolved, it will become a national issue. But I recognize that you, the gentlemen of political parties, asked questions laying considerable emphasis on the securities scandal.

I hope that you will please understand the reason for calling the extraordinary session of the Diet and that we will be able to delve into the securities issue thoroughly with no loss of time and to come up with measures for preventing similar problems—thus to be able to begin tackling the issues of political reform and the peacekeeping operations. I feel that we must create the conditions in the Diet so that the political reform and the peacekeeping operations can be tackled.

[Maeda] What do you have to say, Mr. Hayakawa of the Social Democratic Party of Japan [SDPJ]?

[Hayakawa] With your permission, I would like to introduce myself. I am Hayakawa, who has been named party Policy Board chairman. As Mr. Kato, chairman of the LDP Policy Research Council, said, I too thought this extraordinarsy session was a session to deal with the political reform, though in a different context. I know the session had been called primarily to discuss problems in the Electoral Law or the three bills on the political reform. But as far as I am concerned, measures to aid the victims from the Unzen-dake Volcano eruption are important, and the measures call for political action since the existing law or policies are simply not adequate to address the situation. This point was noted in the questions of the party representatives, but the impression I received is that the government did not express a stand that intended to really tackle this question head-on. Another point is the talked-about securities scandal. I think we have to do something about this for the benefit of Japan. But I feel that the government took a passive position, dodging questions. That's what I felt after hearing the representatives' questioning session.

[Maeda] Mr. Mineyama of the Komeito Party, how did you feel?

[Mineyama] As you people before me said, the question of the peacekeeping operations and the Fugen-dake volcano problem are important in this extraordinary session. But I believe that the securities scandal should become the central issue at this session. This is because the individual investors at present number more than 25 million, and 20 million of them are marginal, small investors.

[Maeda] The number is in an aggregate number, right?

[Mineyama] No, this is the total at present. This is not an aggregate number. This comes from official data. Hence, we think that the people who suffered most damage from this scandal are individual investors, particularly marginal small investors. To think about the pain of these people, I believe this issue must be clarified thoroughly. From that context, this matter comes to involve the question of how Japan's basic economic framework should be in the future. I heard the prime minister's speech and answers for the past two days. But many of his remarks appeared to be those from a viewpoint of a third party. My impression was that he rather lacked the sincerity to clarify the matter thoroughly.

[Maeda] Mr. Kikunami of the Japan Communist Party, how did you feel?

[Kikunami] There are two things this Diet session should do and two other things it should not do. The first two things it has to do are to make a thorough probe into the scandals involving the securities firms and banks, and also to come up with measures on the Unzen-dake disaster.

The two things that should not be done are the introduction of a small electoral district system which will enable the LDP to gain 80 percent of the Diet seats with only about 40 percent of votes gained and the permission for the Self-Defense Forces to send troops overseas.

What I have felt acutely for the past week after hearing the prime minister's speech and remarks in the interpellation session is that the government is trying to say only idle words of diplomacy on the first two things. The prime minister in his policy speech did not even indicate the intention of clarifying facts surrounding the scandals. That was his attitude. I was truly shocked by this. Mr. Fuwa, our party's chairman, speaking at the Diet, made specific questions on the connection of the Finance Ministry in these scandals, but he was not given any specific answers to them. Such is the situation.

What the government is trying to do is to paste over with words these most important issues, while hastening toward the two other things that should not be done. This has become very clear. We will not allow this to happen. This is a hot summer, but we will endure this and fight it out. That is how we feel.

[Maeda] Mr. Nakano of Democratic Socialist Party [DSP], what kind of views do you have?

[Nakano] I think there are four representative issues. First of all, the question of how the people suffering from the Unzen and Fugen volcano disasters should be helped out of their predicaments should come first. The Diet must take measures for this in a clear and a speedy manner.

After that is done, this securities issue, the question of international contributions and the political reform issue should be tackled thoroughly and without haste. That is what the Diet should do. But on the aid measures, the current situation is that a bill is not yet ready, and I am angry about this. But since we are supposed to talk about the securities issue today, I will narrow my talks to that topic. I think these scandals of securities firms compensating favored-clients' losses and dealing with the gangsters, or banks giving out illegal loans are very grave problems that are shaking up the fundameantals of Japan's economy. This means that there should an economic reform before there is a political reform.

This has exposed the reality of Japan's economy in which the stronger are preying upon the weaker and where there are no traffic controls on intersections. This is not a free economic system based on fair competition. This is not a question of socialism or capitalism. I think we must tackle these problems, beginning from the basic position of how the free economy can be defended. After having watched the Diet in process so far, I regret very much that such basic stand on the problems has not appeared in the prime minister's speeches and elsewhere.

[Maeda] No doubt, this is a Diet session which has so many tasks ahead. Mr. Oshima, deputy chief cabinet secretary, what is your view in this regard?

[Oshima] The Kaifu cabinet had the pleasure of seeing second anniversary of its term last Friday on 9 August. When it was born, it was asked by the people to carry out a political reform which is in fact a reform of ourselves.

In the course of the past two years, there have been major changes in the international community. The times when a nation—Japan—can think it does not care about others as long as that it can enjoy peace and propserity are gone. Japan is now asked how it should cope with such times. I do not think this question is directed at the Kaifu cabinet alone. I think the whole Japanese political circles are being asked of this question. I have, hence, thought that the extraordinary session would be one in which answers to these two questions would be given. In addition to that, however, the issue involving financial circles has arisen. As the LDP Policy Research Council chairman said earlier, we in no way are thinking about concealing the scandals at all. The government has expressed regrets about the local and foreign investers's loss of trust in the government and about the inappropriateness of the government supervision.

We are dealing with politics. What should we do to prevent such things from happening again? We would like to be allowed to give a reply to this question, and have your evaluation on it in the future.

Regarding the question of Unzen disaster, the prime minister expressed what the government will do in his policy speech.

Mr. Kaifu in his policy speech also spoke about the resolve he has maintained for the past two years and about the policy Japan will pursue in moving toward the 21st century.

[Maekawa] Thank you, so much. Today, all the political parties are asked to debate primarily the issue of the securities scandals. Mr. Hayakawa of the SDPJ, what do you think is the cause for these securities scandals having occurred?

[Hayakawa] I think there are several viewpoints but what I feel most strongly about and lament is that a warp in today's Japanese society surfaced during the scandal. Why does our society think that money is everything? Originally man comes first and livelihood next. Then the question of money arises as a means of livelihood or as a result of work. I think this is the way it is supposed to be. However, as seen in bubble speculation in land, stocks, and paintings, Japan has become a speculative society. Investments are of course necessary for economic activity, but this is not investment—it is speculation. Such a warp in society... [changes thought] The system and even human mentality have changed. I think this is the biggest reason. To think why the scandal broke out...[changes thought]

The bill came in the end. Actually, it was probably the beginning of the bubbles. Financial circles, including the government and the banks, supplied abundant funds. I think that a so-called bill emerged as a a consequence of this. A free economy calls for high ethical and moral standards, but somehow Japanese society, especially economic circles, is lacking in this area. I feel strongly that this is true. I think that this lies at the root of the scandal.

[Maeda] Mr. Mineyama, what is the background to this securities scandal?

[Mineyama] There may be various causes, but I am afraid that the biggest reason lies in the administration of supervisory functions, of authorization, and of licensing by the Ministry of Finance and the Ministry of International Trade and Industry [MITI] over securities firms, banks, and trading houses conducted in the 40-plus years since the end of the war.

As a matter of fact, Komeito established a special committee in early July and began investigations. In mid-July we met with people in the securities industry, including a managing director. At that time I was greatly shocked. We asked them what they thought the most important question facing them today was, having gone through this scandal. The managing director cited two items in his reply. One is that so-called funds keep flowing in large quantities under the so-called bubble economic situation, and securities companies are in an exceedingly competitive market. Under these circumstances commercial ethics have gradually cracked, and the brakes have failed to work. The other reason is that our mechanism is reportedly secure, compared to that in other countries, but it was impossible to monitor the mechanism in its entirety. He said he believed that therein lay the problem.

Henceforth, in resolving the scandal, we could enact a variety of legislative measures. But I feel acutely that no matter how many laws we enact or no matter what system we create, they would be ineffective under the Finance Ministry and the MITI's administration.

[Maeda] Mr. Kato, what about you? What do you think the background is?

[Kato] There are various backgrounds—immediate and remote, for instance—but there is also a structural problem. I think that Japan is a society in which one leans on others and is leaned on by others. A system in which one holds himself responsible has yet to be established in our country. The question of securities firms and businesses leaning on each other in the latest scandal boils down to the structural question—we do not have a system in which we hold ourselves responsible. In other words, the bubbles which these two gentlemen mentioned belong to zaiteku [money management]. Businesses that do not engage in zaiteku are not regarded as steady enterprises. The bursting of bubbles and encouragement of zaiteku led to this result. One immediate reason was that an easy money policy was in effect for too long. We also legislated a so-called Nonbank Control Act in a suprapartisan move last May. Nonbanks stalked around haughtily. Problems like this were therefore in the background and give rise to this securities scandal.

This is a serious question. As I stated in the Diet, these problems asked a question which shakes the very foundation of the free market economy. Finance and capital are the bones, flesh, and blood of capitalist society. Since the latest scandals seem to worsen blood circulation, we intend to thoroughly investigate their background and remedy them.

[Maeda] Mr. Mineyama pointed to the governmental authorization, licensing, and control systems. Now, Mr. Kikunami, what do you think of the government's responsibility that lies at the background of this scandal?

[Kikunami] In a nutshell, I think that this scandal symbolizes the corruption of Japanese political administration and the Japanese economy centering on large corporations. First, whereas various incidents in the past were committed by individual enterprises, the latest case was committed by all Big Four securities companies and all second-tier firms except one. It was a comprehensive, structural case of corruption involving almost the entire top- ranking Japanese corporations. This is the first point. The second point is that there is suspicion that the Finance Ministry was involved in it. Mr. Tabuchi, former president of Nomura Securities Company, told a general meeting of shareholders that they carried it out with the Finance Ministry's approval. The involvement of the Finance Ministry is a big political issue. The involvement of a gangster organization—this is a serious issue, indeed. Had a gangster organization been involved in a case like this in Europe, securities companies would be ordered to suspend business immediately. Recently a bank called BCCI was implicated in a similar case in Europe and was ordered to suspend business immediately. This kind of action should have been taken immediately in Japan, too. The third and last point is that the government itself has been pursuing bubble economic policy. This is the problem from which various cases arose. Because of that, the Itoman case took place in the east and the illegitimate loan scandal involving Fuji Bank broke out in the west. In the latter case a secretary of the finance minister was implicated. I think that the latest securities scandal was the key to these cases.

[Maeda] How about you, Mr. Nakano of the DSP?

[Nakano] I think there are three phases—the social background for one. The question of bubbles may be one. In the phenomenon of surplus funds, a situation developed in which investors speculate, not invest, in land or stocks but there was no system in Japan to control this at all. The second is that corporations turn to bubbles or zaiteku, sometimes discarding or neglecting their main business of manufacturing goods or serving national life. I think there is another background, a structural one. It is often referred to as collusion among politicians, bureaucrats, and businessmen. To put it succinctly, because of this so-called collusion the Finance Ministry is unable to supervise or control the industry, especially banking and securities industries. This includes amakudari [private companies employing former government officials]. Another thing is that when stock prices go down, they cannot fully control them. So, they protected customers, who they want to keep on as clients in the future, for the portion for which they could not manipulate. They compensated large corporations, which pay high commissions, for their losses; they also set values on mutual aid associations and pension welfare unions as they bring profits because of their large memberships, although they pay relatively low commissions. There is another question involving eigyo tokkin [discretionary account transaction] funds in the Trust Bank, but I think this is still under investigation.

[Maeda] As pointed out by all parties through their representative interpellations, thorough investigations into the true aspects of the scandal are indispensable in order to prevent recurrence of the securities scandal. Mr. Oshima, how is the government going to handle investigations of the truth of the case?

[Oshima] Please let me say a few words in answer to your question. The people should not be led to misunderstand the situation. The gentleman from the JCP said that the government was involved in the case, but it was nothing like that. I hope that language which might create misunderstandings will not be used. All the parties have stated their views on the so-called backgrounds. Since the buying and selling of stocks are not visible, I think ethics is essential, as Mr. Hayakawa insists. In that sense, the industry as well as individuals who invest in the market need to establish ethics. In addition, we must revise the rules, which we have heretofore thought to be fair and fit for the present industry and present Japan, and establish fair ethics and rules. In any case, the scandal created distrust and a sense of unfairness among general investors at home and abroad. If the government should be accused of being remiss in its supervision, I think that the government should apologize to the people. It was a regrettable case indeed. We must make efforts to restore public confidence in the industry under fair rules and ethics, after pondering the positions of both industry and investors. To this end, inquiries should be made in a dignified manner in the Diet, and we will answer questions with sincerity.

[Maeda] Mr. Hayakawa, the methods and tricks employed for loss reimbursements and their timing are now to be brought to light. How is the SDPJ going to tackle this issue?

[Hayakawa] We have launched a project to study how to establish a supervisory system and ways of supervision. As I was a member of the Finance Committee, I took part in the examination during the recess last 25 April. Frankly, it is very unclear what loss reimbursement is, so securities companies say that they made up for losses; but corporations, their customers, say they were not compensated. In rectifying [words indistinct] of securities, the National Tax Administration Agency investigates and rules that it cannot approve entertainment expenses. Only then the money is determined as a reimbursement. It is very unclear. The Finance Ministry issues a circular stating that such and such things should not be carried out. Discretionary accounts and other transactions are prohibited under the Commercial Transaction Act. Even if circulars are issued to this effect, the definition of compensation is still very unclear. If this is taken into consideration, I think it is best to have experts appear as witnesses in the Diet. They are not to be interrogated as criminals. I hope that these people will appear in the Diet first. The Diet can start from there.

[Maeda] Mr. Kato, what is the LDP's idea?

[Kato] The Big Four and second-tier securities companies have made various announcements, disclosing that 17 companies had been involved and that 172 billion yen had been paid out to 617 corporations and individuals. These announcements to a certain extent have cleared matters up. However, the methods and tricks employed, the timing, and other details should now be brought to light. Our party formulated a draft interim report on Friday [9 August] and conducted various inquiries. Because there is a call for parliamentary inquiries, the party plans to assume a clear-cut attitude and help bring the truth to light, acting in concert with the government in order to eradicate the people's distrust.

[Maeda] Mr. Mineyama, how is the Komeito going to tackle this?

[Mineyama] We are presently coming to grips with the issue, investigating and inquiring into activities in three groups. As it was mentioned just now, the summoning of witnesses is to be addressed before anything else. The methods and tricks employed, as well as other details, must be clarified through the testimonies of investors engaging in securities transactions. Our party is now making preparations and utmost efforts in three areas: First, thorough probes into stock price manipulations and illegitimate profits; second, through collection of data and clarification of concrete questions concerning loss reimbursements or compensation; and third, through a concrete study of a so-called structural reform to prevent a recurrence. What is at issue here—although Deputy Chief Cabinet Secretary is here with us—is the Finance Ministry. To put it tersely, the Finance Ministry was aware of the scandal in December 1989—two years ago—when it put out a circular. So, if the ministry had taken proper steps at that time, there should have been no problem. When the irregularity was reported in the press in March and July last year, it was not made an issue. So, now it has developed into a big issue. Of course, the Finance Ministry has obligations to keep secret the data in its possession, but I think that the ministry should make public as much as it can. I hope the government will cooperate in making thorough investigations.

[Maeda] How about the JCP?

[Kikunami] We also think that summoning people concerned to testify is necessary for shedding light on the true aspects of the scandal. They know the circumstances best. The former chairman and former president of Nomura Securities Company, as well as responsible officials of the other Big Four companies, should be summoned for testimony on how compensation was conducted. The data which has been disclosed to date is up to March 1990; the terrible stock crash came after that. So what has happened since then? This is a question that needs to be clarified. Were there promises made in advance? This is also a question that must be looked into. The key point is the Finance Ministry's link, as was just mentioned. I was told not to use the word involvement, but—regardless of whether the word should be involvement, link, or relationship—there was testimony made to the effect that the scandal had been carried out under the Finance Ministry's approval. This must be clarified. Although the Finance Ministry says that it was not aware, I believe this is not so. It is the National Tax Administration Agency that indicted the case, and the agency is an organization which is closely linked with the Finance Ministry. This agency indicts, but the Finance Ministry was not aware of it. This does not sound correct. The ministry says that it issued a circular because the scandal had been discovered, and it stated in the circular that the practice should be discontinued. So, the ministry must have received reports on the case. Still it says it was not aware. I don't believe that can be so. Therefore, the people have suspicions about this point. So, it should be made clear, and since the names of politicians are also beginning to turn up, that should also be made clear. Only by bringing the whole picture to light can we prevent the recurrence of such a scandal. I think that by all means we need to clarify these matters.

[Maeda] Mr. Nakano, how does the DSP plan to probe the scandal?

[Nakano] The DSP is said to be making tough demands. In this connection, I would like to say something. When the SEC was inaugurated in the United States, President Roosevelt appointed the father of former President Kennedy to head the SEC because he was well versed in securities circles. Measures can hardly be taken unless those who have been actually involved in the securities industry and who have studied various strategies and tactics for stock business testify. Our party intends to make a full probe of the recent securities scandal. I believe the Finance Ministry was aware of the scandal and involved in the scandal. Our party plans to do all it can to find out the truth behind the scandal, while demanding, among other things, testimonies by witnesses.

[Maeda] Mr. Oshima, opposition parties are demanding the release of information. How would you respond to this?

[Oshima] First, let me first spell out our basic attitude in the current investigation of the truth. A while ago, Chairman Kato of the Policy Research Council related the developments as of this date. There are a number of points raised by the other parties at present, not here, but in the Diet. For instance, what happened after April 1990? With regard to this question, we are presently conducting special inspections. I think that the findings will be ready eventually, in a few months. I would like to announce this formally. The basic question is what sort of investigation the government intends to conduct in the Diet. I intend to answer this question honestly. At the same time, we are exerting all possible efforts to formulate impartial rules in order to ensure that there will not be a recurrence of such incidents. I think this is the most important thing from the government's perspective.

[Maeda] With regard to cases of compensation in fiscal 1990, do I understand that the government will be the one to make these revelations?

[Oshima] Cases occurring until March 1990 have almost all been made public. As to those after that date, the Finance Ministry is presently exerting efforts in this regard in the form of special inspections. After the inspection reports are drawn up, I suppose that a list will be released, but that is not yet certain. In any case, the inspection is still in progress. I am not sure in what form the announcement will be made. I will limit myself to saying that such an inspection is taking place.

[Maeda] I see. Mr. Kato, the opposition parties are all demanding that witnesses be summoned. From the LDP's perspective, how will you dispose of this issue of summoning witnesses?

[Kato] I do not agree with the term disposing of the issue. As a means to investigate the truth, we will first study the issue. If we are told to produce various information, we will do so. There is the procedure of inviting witnesses, and this procedure is often utilized. Should we use this procedure? In the process of investigating the truth, if we reach a point where witnesses become indispensable, we will think about it. If at the very beginning, we are told in a highhanded manner that we have to summon witnesses, that without summoning witnesses there can be no investigation of the truth, we are tempted to say that that is not how the Diet operates. We would like to see active discussions among the parties first and make our decision at the last moment.

[Maeda] Mr. Oshima, with regard to measures to prevent a recurrence, I think they would have to be presented in an orderly form to the current Diet session. While the finance minister has given his views during Diet interpellations, how do you think the Securities and Exchange Act should be amended? How do you intend to do it?

[Oshima] We are not only talking about an amendment of the Securities and Exchange Act. I think it will come down to five or six basic principles. First, the ambiguity of rules has been cited as a problem; I think rules will be clarified. Also, the prohibition of torihiki ichinin kanjo torihiki [transactions in which the investor cedes authority to make investment decisions to the brokerage] and ex post facto loss compensation. Next, with regard to the lack of transparency of the transactions, I think we will have to revise our system of administrative guidance. Second, with regard to violations of the rules, I think we will have to consider the question of penalties...

[Maeda, interrupting] Punishment as a criminal offense?

[Oshima] Yes, penalties under criminal law. The third point is the inspection and supervisory system. I think this will be discussed later on; I will just point out here that this is the third major issue. The fourth issue, as Mr. Hayakawa mentioned earlier, the issue of the investors themselve taking responsibility is an important point. On this issue of self-responsibility, it may be necessary to lay down penalties applying to the securities industry, as well as the clients themselves. We will also like to consider this question. In any case, I believe that a principle of fair competition should operate. It was also mentioned earlier that the relationship between the Finance Ministry and the securities industry has been criticized. To be honest...

[Maeda, interrupting] For instance, amakudari...

[Oshima, continuing] Yes, things like that. We have to handle this matter more strictly from now on. According to the current Government Officials Act, amakudari is absolutely prohibited within two years of resignation, and each case has to be approved by the National Personnel Authority; it is supposed to be open to the people's scrutiny. I think there should be no criticism in this respect. With regard to this issue, we would like to think of ways to deal with the matter seriously. Draft measures are now being formulated on various issues, particularly those mentioned above.

[Maeda] Mr. Mineyama, with regard to measures to help prevent a recurrence, how do you think the Diet will deal with the issue?

[Mineyama] In any case, I think there are short-term meaures and mid- and long-term measures. Recently, the finance minister made a statement on five items...

[Maeda, interrupting] The five items Mr. Oshima just enumerated.

[Mineyama] Yes. With regard to these five items, they are short-term issues which should be dealt with immediately. As to mid- and long-term measures, I believe that it will not do to have supervisory units inside the Finance Ministry. The fact is, the stock market has grown from a very small one during the post-war period to what it is at present. In the course of the reports on the recent scandals, we came to learn that administrative orders issued to the securities industry are startling in number. The antiquated system of so-called control through administrative orders has been left untouched. In the face of the liberalization of the financial market and internationalization, this system has become incapable of coping with the situation. In that sense, since Japan has become a member of adult society, it has to change all its garments and clothings. That is what I think. In that sense, we have to rehaul the system radically—in particular, the supervisory system. There are talks about creating a SEC [Securities and Exchange Commission] in Japan. I think if we do not go to that extent...[changes thought] There are those who talk about reorganizing the Securities Bureau and other offices inside the Finance Ministry. In that case, as the Securities Dealers Association people said, the securities industry will go to the dogs. That is what I think.

[Maeda] Mr. Nakano, what does the DSP think about measures to prevent a recurrence?

[Nakano] I visited the finance minister, and on 2 July, I suggested that a Japanese version of the SEC be formed. That was the first time. I think this is absolutely necessary. As Mr. Oshima mentioned a while ago, various methods, including penalties, are being considered. However, when penalties are to be imposed... [changes thought] The hitherto method is to issue administrative orders and demand voluntary written confessions on violations of such orders. When penalties are involved, certainly there would not be any voluntary written confessions. Thus, without compulsory investigation, there can be no way to impose penalties and to investigate the truth. If we do not create an agency outside the Finance Ministry for such purposes, it will be meaningless. In that sense, I think while we must deal with urgent issues facing us, the creation of a Japanese version of SEC will be absolutely necessary as a mid-term goal—although this may take some time. Aside from that, the Securities and Exchange Act should not only prohibit loss compensation on the part of the brokerages, but also ex post facto compensation, as well as ichinin kanjo torihiki. Moreover, dividend propensity is low in Japan, compared to Western countries. The fact is, dividend propensity in Japan is only 27.6 percent, compared to 40 to 50 percent in the European countries and the United States. Consequently, stock investment inevitably degenerates into stock speculation aiming at capital gain. The system should be changed into a more attractive one, to make investment more attractive than speculation. I think this is also necessary as an inductive measure. I also believe that various modifications, such as making the unit of stock transactions smaller—not 1,000 shares, but 100 shares—to encourage individual investors, or reducing brokerage commission, are necessary.

[Maeda] Mr. Kato, Mineyama and Nakano indicated that it is necessary to create a third-party watchdog agency in Japan similar to the U.S. SEC? What does the LDP think of this?

[Kato] This issue was raised in the interim report on remedial measures compiled on Friday. From the point of view of improving and reinforcing the supervisory system, we are considering a Japanese version of the SEC, the British SIB [Securities and Investments Board], reorganization inside the Finance Ministry, or a compromise solution combining the above. As Mr. Nakano has just said, we are now comparing and studying the difference between the Finance Ministry's Securities Bureau and the SEC. The biggest difference lies in the power to investigate. In the case of the SEC, there is no restriction to the organizations it can investigate; it has wideranging powers. It also has the power to summon witnesses. There is the question of power to investigate, including the fact that the crime of perjury applies to testimony before the SEC, and the SEC's wideranging powers, including that of imposing civil sanctions. We are fully aware of such powers. However, in the case of Japan, we are now considering doing away with the division between banking and securities. We will accept recommendations from various committees and study these seriously. Doing away with the division between small and medium-sized banking institutions and brokerages is also being considered. There is the question of what will happen if we implement measures only in the securities sector. Another issue which we have in mind and which we are studying assiduously is the inspection system. At present, banking institutions, securities firms, insurance companies, and foreign exchange are subject to inspection. Inspection is conducted separately. We would like to study the system thoroughly, including from the angle of what to do with the system from now on.

[Maeda] When it comes to measures to be taken, they have to be mid- and long-term. Mr. Hayakawa, what does the SDPJ think?

[Hayakawa] For the time being, I think the government will come up with suggestions for the Securities and Exchange Act in the extraordinary Diet session, as mentioned earlier. In that case, we would like the government to take a position on basic policies and principles. For one thing, we hope that the method of administration through the issuing of ordinances be changed at this point. As much as possible, regulations, rules, and even laws, should be formulated, so that transactions will be comprehensible to one and all. And as much as possible, we hope that the government will put things down in written form, so that there will not be any disagreement over interpretation. With regard to the issue of penalties, I heard that these will also apply to clients. Incidentally, looking at the present Securities and Exchange Act, penalties for the individual, the brokerage official in charge, and corporations are provided for separately in Articles 197, 198 and 200—the toughest punishment being imprisonment of less than three years or a 3 million yen fine, and the lightest being imprisonment of less than six months or a 500,000 yen fine. There are three separate provisions. I wonder whether individuals and corporations ought to be treated equally. Furthermore, as to mid-term issues, there is the question of the SEC. Earlier, Chairman Kato of the LDP Policy Research Council made a classification: the Japanese type, the British type, and the U.S. type. The SDPJ is in favor of a Japanese version of the SEC. Well, there are differences in the conditions of the two countries. In the case of the United States, what Japan must contemplate is that the SEC allows undercover investigation. This is not allowed in Japan. Keeping such questions in mind, I think a watchdog agency and a prosecution agency suitable for Japanese conditions is necessary.

[Maeda] Mr. Kikunami, what about the JCP's view?

[Kikunami] Regarding the SEC, now under discussion, the JCP suggested in 1979 that a Japanese version of the SEC be formed. I would like to mention this fact here. We had already suggested in 1979 that a Japanese version of the SEC, which would have strong powers to prevent scandals and, in the event of scandals, be able to suspend operations at offending brokerages. With regard to the amendment of the Securities and Exchange Act mentioned earlier, we think this is but a matter of course. The question is, as I said earlier, if the government does not take a firm attitude in investigating the truth and taking measures to prevent a recurrence, it will not be possible to prevent similar incidents from occurring no matter how many laws we formulate. I hope that the government will take this point seriously. The people are furious on this issue. With the abolition of maru-yu [system of tax-free savings accounts] and low interest rates due to the policy of the bubble economy, people planning for their old age found savings deposits inadequate; many people have been forced to invest in stocks. They suffered great losses in the recent sharp drop in stock prices. On the other hand, big companies were compensated for their losses. Such is the nature of the scandal. Why did it happen? Where does the responsibility lie? I would like to state emphatically that these questions must be answered; it will not do to merely grapple with technical matters such as amendment of laws.

[Maeda] Mr. Oshima, it seems that the majority view is that a watchdog agency separate from the Finance Ministry, a so-called Japanese version of the SEC, should be created. My impression is that in his replies to Diet interpellations, the finance minister seemed unenthusiastic. What is the government's stand?

[Oshima] Many people talk about a Japanese version; that is, they admit that there are certain peculiarities to the Japanese securities industry. I think the chairman of the LDP Policy Research Council made a very important point, that is, the U.S. SEC itself is presently ridden with many problems. It has become incapable of dealing with a diversity of problems, such as the need to integrate the banking sector or, in other words, the need for an integrated financial policy. Lately, people have been using the word SEC so easily and think that with this our problem can be solved smoothly. Come to think of it, since people do mention a Japanese version, I do not really know if I understand what they mean.

At present, we have created a project team inside the Finance Ministry to discuss the matter seriously. We think that improvements should be made in five areas, including the present Japanese condition and situation, and an assessment of the U.S. SEC should be conducted. The project team indeed deals with only one of the five areas. A while ago, we talked about wideranging problems concerning financial policy, including the issue of the SEC. We have asked the Ad Hoc Council on Administrative Reforms to make recommendations on appropriate measures and on how things ought to be. Therefore, we are now still in a groping stage.

[Maeda] Mr Kato, what are the short-term measures that the LDP is going to take?

[Kato] Various points have come up in our discussions. One of them is for the Finance Ministry to initiate an amendment of the Securities and Exchange Act [SEA]—that is, apply the principle of investor responsibility, the contents of the Securities and Exchange Act amendments, and so forth. Next, there are things that the Securities Dealers Association must do. Furthermore, regarding the stock exchange—an thorough inspection inside the stock exchange must be made; a disciplinary committee must be formed, and the powers and duties of the committee should be stipulated. In addition, the commission system should be reexamined; it might be better to liberalize commission rates for large investors. Taking such issues into consideration, the Finance Ministry, the securities industry and the stock exchange should conduct a comprehensive study for possible areas of improvement, and should immediately introduce possible improvements. We would like to consider an investigation for the truth of the matter as one aspect of measures to prevent a recurrence, and a study of this is presently being diligently undertaken.

[Maeda] I see. Mr Oshima, I think an amendment to the Securities and Exchange Act will be the current focus of attention. The budget committee is scheduled to start deliberations on 19 August, and a special committee on securities issues will be formed on 20 August. Will the bills be ready by that time?

[Oshima] I think it would be difficult to come up with draft bills by that time. However, as much as possible, we would like to draw up a government draft proposal by the time the budget committee begins discussions—although I do not know when the budget committee will start this year—after which the proposal will have to go to the office of the Policy Research Council chairman's office for deliberations. Subsequently, the end product will be presented to the Diet as a draft bill. We are exerting every possible efforts now.

[Maeda] Mr Hayakawa, do you also think that the amendment of the Securities and Exchange Act alone will not be sufficient?

[Hayakawa] With regard to the issue of the so-called Japanese version of the SEC, I think this needs to be considered. Come to think of it, during the beginning of the postwar period there was a securities and exchange committee. It was a feature of the postwar democracy. But times have changed. Looking back at the postwar securities period, I have a feeling that we are now beginning a new, third period of reform. From such a viewpoint, we need to create an agency with supervisory and prosecutorial powers. If we fail to do so, the Japanese market will lag behind the international market. We would like to work on this as a mid-term goal.

[Maeda] Mr Mineyama, please go ahead.

[Mineyama] I think that, with regard to this amendment of the Securities and Exchange Act, although people are quick to talk about this, in reality it would be improper to come up with such legislation before a thorough investigation of the whole matter. The laws being proposed deal with areas which need to be attended to. I believe that the correct method should be: After the truth is completely uncovered, we will come to know that such and such are the problems, and so, such and such legal amendments will be necessary. Moreover, there is this talk about whether we should adopt an SEC-type or a SID-type of agency. To put it in another way, there is a need to change from the previous administrative pattern of fostering the industry to a pattern of supervision. In more concrete terms, I feel that it should be delegated to an independent agency, such as those stipulated in Article 3 of the National Government Organization Act. They include such organs as the Fair Trade Commission.

Concerning the SEC issue, it has been pointed out that there is a difference here because the United States has adopted a registration system while Japan has adopted a licensing system. However, I feel that in a nation adopting the licensing system, it is much more necessary to have a so-called independent agency. It is because in reading the existing SEA, I find that Article 50 deals with issues on making up for losses [sonshitsu hoten] or loss compensation [sonshitsu hosho]. There are, of course, varying interpretations of issues concerning the making up of losses and loss compensation. In fact, Article 58 deals with unfair transactions. In this connection, if the Finance Ministry really intends to handle these problems, it has the capacity to do so. However, it has failed to do so because of such problems as its consents, collusion, or interdependence with business circles. And I think that all these problems have to be dealt with squarely.

[Maeda] As Mr. Mineyama has just pointed out, Chairman Fuwa of the Communist Party of Japan has also attacked problems concerning collusion between business circles and the Finance Ministry. Mr. Kikunami, what do you think should be the Finance Ministry's proper approach towards its administrative work?

[Kikunami] As has been already mentioned, the Provisional Council for the Promotion of Administrative Reform [PCPAR] has been asked to study the issue of establishing a Japanese-version of the SEC. However, among the nine PCPAR members, one has received loss compensation and another represents a company that has received loss compensation. Two out of the nine members have problems. That is the current PCPAR lineup. Therefore, unless an investigtion into the truth of the matter is carried out, it is quite apparent that no good results will be achieved through their discussions on what measures should be taken to deal with the issue.

Moreover, as you have just mentioned, the former chairman of Nomura Securities is closely connected with former Prime Minister Nakasone and others, and he is also an influential member of various economic circles. He has also participated in working out major reports such as the Maekawa Report. Thus, he has extensive connections. What on earth is the overall picture, including such connections, of the current scandal? What are true facts about the current incident? The important thing is to clear up all these facts and then work out measures to deal with the problems. I think all the details of concerning these facts are what our people want to know. And I think all these facts will have to be made clear.

[Maeda] Mr. Nakano, DSP Chairman Ouchi has raised the issue of the prime minister's responsibility, as well as that of the finance minister. What is your view on the functions of the Finance Ministry ?

[Nakano] The ministry has for some time been criticized by the people for being close to industry. What is not clear to me is what ministry officials really did when they developed guidance or issued instructions. They claim that they had the securities companies involved submit reports to them, that people involved have been disciplined internally, and so forth. But several months after these actions are supposed to have been taken place, the mass media take up them and report them as big scandals. We have a strong feeling that the Finance Ministry must have known about the problem all along.

We want the Finance Ministry to have an honest attitude in clearing the problem from its foundation and to provide guidance in a correct manner. This is one.

Earlier there were discussions on future measures to prevent recurrence of such problems. What I think important is that there should be a fair and just system which ensures that all firms endure hardships together—with the fair feeling that while our company is having the hardship, other companies are going through the same hardship. This should be part of the functions of the Japanese version of the SEC. The firms will come to refrain from irregularities if they can rest assured that all firms indulging in illegal practices will be controlled through a mutual supervision system. This system will provide not only the rules that bind but also the mentality that leads.

Another point is that, at present, the rates of securities handling charges are set by the stock exchange rules or by the Securities Industry Association departmental agreements as a cartel. There should be guidance so that charges for handling are lowered. It is necessary that the problem be rooted out so that even when losses are compensated for, the clients will not be attracted into asking for it. In other words, a structural improvement needs to be carried out at the same time. I would like to add that point.

[Maeda] Mr. Oshima, among the people there are loud voices expressing mistrust in the Finance Ministry. What is your comment on that?

[Oshima] I think we should take some of the voices seriously and take heed of them. For instance, as I said earlier, there are voices saying that there are too many instructions from above and that they should be replaced with legal provisions. Then, on the issue of amakudari, even though we have meant to be strict and fair so far, maybe we should take heed voices speaking out on this subject.

But financial policy in a broad sense is indeed a matter that has to do with the well-being of the entire nation, of Japan. Hence I think it inevitable that some functions of guidance will have to remain, although I think guidance must not become so strong that the essential basics of the policy are damaged by it. I believe we will have to correct what needs to be corrected, honestly listening to the views of the people.

[Maeda] Mr. Kato, the Finance Ministry in its operations so far could be said to emphasize protection, as pointed out by someone earlier. Do you not think the time has arrived to change that?

[Kato] Well, there have been various views. In the future, it will become very important from several angles that conditions for free competition be created. I have come to realize from recent incidents that we must make every effort to build a fair and transparent market, to gain the extensive understanding and support of the people, and thus to regain the confidence of the nation and foreign countries.

[Maeda] Mr. Oshima, I would like to ask a final question of you. With the issues of political reform, peacekeeping operations, and so forth pending, this Diet session faces so many difficult tasks.

[Oshima] These are difficult tasks, but they are indeed assignments given by the people. Political reform is a very important issue, and we would also like to have the understanding and cooperation of all political parties regarding the issue of what Japan should do in the international community.

[Maeda] Thank you so much.

Credit Company Official Arrested in Bank Fraud

OW1408095791 Tokyo KYODO in English 0757 GMT 14 Aug 91

[Text] Osaka, Aug. 14 KYODO—Prosecutors arrested a third person Wednesday in connection with the Toyo Shinkin Bank 342 billion yen fraud scandal.

The Osaka public prosecutors office arrested Eiichiro Hayata, head of the Kitahama Plaza branch office of Daishinpan Co. Ltd., an Osaka consumer credit company, on suspicion of breach of trust.

Hayata, 38, is suspected of causing losses worth 10 billion yen in Daishinpan's assets by returning bank debentures to Nui Onoue, an Osaka restaurant owner, which she used as collateral to borrow 10 billion yen from Daishinpan, prosecutors said.

Onoue, 61, and Tomomi Maekawa, 58, former branch manager of Toyo Shinkin Bank, an Osaka-based credit association, were arrested Tuesday for allegedly forging deposit receipts to use as collateral to borrow 342 billion yen from other financial institutions.

The value of the forged receipts almost matches Toyo Shinkin's entire deposit base.

The prosecutors said Hayata was suspected of conspiring with Onoue to withdraw Daishinpan debentures worth 10.7 billion yen from a vault at Sanwa Bank's headquarters in Osaka in May, without permission from Daishinpan.

Onoue mortgaged the debentures to borrow 10 billion yen from Daishinpan. Because the loan was made on collateral that originally came from Daishinpan, the company had difficulty in recovering the loans, the prosecutors said.

Onoue used the funds for stock transactions, the prosecutors said.

Hayata turned himself in at the prosecutors office Tuesday night, and he and Onoue have admitted the allegations, prosecutors said.

Daishinpan, listed in the first section of the Osaka Stock Exchange, ranks 6th among Japan's 87 consumer credit companies with 107.593 billion yen in gross revenues in the business year that ended March 1990.

The credit company is affiliated with Sanwa Bank but has been gradually turning independent by beefing up credit card services.

In addition, the Industrial Bank of Japan (IBJ), the leading long-term credit bank in Japan, and its affiliated financial institutions loaned 300 billion yen to Onoue, sources close to the bank said Wednesday.

The sources said the bank, popularly known as Kogin, launched an internal investigation early this year into the huge loans made to Onoue.

The loans allegedly provided by IBJ are separate from the 342 billion yen fraud.

According to the in-house investigation by the IBJ, the bank's Nanba branch had dealings with Onoue four or five years ago when she purchased discount bank debentures. Its Osaka branch began lending money to her three years ago.

IBJ loans to Onoue last year amounted to 100 billion yen. During the same period, its affiliated financial firms, such as Kogin Lease, loaned Onoue 200 billion yen, the sources said.

The IBJ, however, retrieved more than 50 billion yen in loans from Onoue after the bank learned that bosses of the nation's largest Yakuza underworld group, Yamaguchi-Gumi, frequented her restaurant.

The IBJ refused to specify the amount of the money loaned to Onoue because the case is under investigation by the police.

Onoue was well known in financial circles for investing large amounts of money in the stock market, investigators have said.

Ministry, Bank To Retain Bank Support System

OW1408101791 Tokyo KYODO in English 0953 GMT 14 Aug 91

[Text] Tokyo, Aug. 14 KYODO—The Finance Ministry [MOF] and the Bank of Japan [BOJ] decided Wednesday to retain an emergency support system for regional and credit association banks to prevent panic among depositors, officials said Wednesday.

The system, armed with enough funds to cope with a possible rush of massive withdrawals, was established by the central bank Tuesday with the cooperation of commercial banks following the disclosure of massive fraud involving Toyo Shinkin Bank in Osaka.

Toyo's former branch manager and a bank customer were arrested Tuesday on suspicion of conspiring for the customer to borrow 342 billion yen from other financial institutions, using Toyo Shinkin deposit records forged by the manager.

The officials said monetary authorities were concerned that the long-standing myth in Japan that banks will never fail is on the brink of collapse in the wake of a series of scandals, and that medium- and small-size institutions may be forced to close down due to excessive lending.

Toyo Shinkin Bank is the third financial institution known to be involved in a recent series of illegal loan scandals.

Finance Ministry sources said the emergency support system is designed to prevent panic among depositors.

The central bank formed a consortium with the Zenshinren Bank (central cooperative bank for shinkin banks), Sanwa Bank and the Industrial Bank of Japan (IBJ), to aid Toyo Shinkin Bank.

Sanwa and the IBJ have close business ties with Toyo.

Under the system, the Bank of Japan will provide loans to the consortium for reimbursement to Toyo at a lower interest rate.

Mongolia

Further on Japanese Prime Minister's Visit

Ochirbat Receives Kaifu

OW1308153791 Tokyo KYODO in English 1242 GMT 13 Aug 91

[Text] Ulaanbaatar, Aug. 13 KYODO—Mongolian President Punsalmaagiyn Ochirbat on Tuesday afternoon thanked Japanese Prime Minister Toshiki Kaifu for helping to bring the plight of Mongolians to the attention of the international community, Japanese officials said.

Ochirbat welcomed Kaifu in the government's official ger, or traditional round felt tent, newly built for entertaining state guests.

In a 30-minute meeting, he credited Kaifu with drawing attention to the plight of Mongolia at international meetings such as the London summit of seven major industrialized nations.

While the Mongolian people attach importance to ties with all countries, and Japan in particular, they are determined to achieve economic reforms with their own power, he was quoted as saying.

Mongolia submitted many requests to Japan before Kaifu's visit and they were mostly met, he told Kaifu.

Kaifu, the first Japanese premier ever to visit Mongolia, pledged to offer as much assistance as possible.

The two leaders, seated before a larger-than-life statue of Genghis Khan, downed traditional Mongolian spirits made from fermented mare's milk.

At a banquet honoring Kaifu, Ochirbat said there are ample opportunities for cooperation if Japan combines its financial and technical know-how with Mongolia's vast resources.

Mongolia, four times the area of Japan, is rich in gold, copper, and lead.

Earlier in the day, in a separate meeting, Mongolian Prime Minister Dashiyn Byambasuren accepted an open invitation by Kaifu to visit Japan, the officials said.

Talks With Byambasuren

OW1308122391 Tokyo KYODO in English 1018 GMT 13 Aug 91

[Text] Ulaanbaatar, Aug. 13 KYODO—Japanese Prime Minister Toshiki Kaifu saluted Mongolia on Tuesday for its democratic and economic reforms and told Mongolian Prime Minister Dashiyn Byambasuren that Japan will host an international conference in early September on assistance for the country.

"I believe Mongolia's efforts to democratize and introduce a market economy are very important as the world struggles to establish a new order," Kaifu was quoted as saying by a Japanese Foreign Ministry official.

"This visit signifies that we are turning a new page in bilateral relations," said Kaifu, the first leader of a major industrialized country to visit this landlocked nation of two million people.

He offered 2 billion yen (15 million dollars) in emergency grant aid, along with a package of medium-term economic assistance aimed at helping Mongolia create a market economy following 70 years of communism.

Kaifu arrived in the Mongolian capital Tuesday after a four-day visit to Beijing. He will return to Tokyo on Wednesday.

Byambasuren told Kaifu that after decades of dependence on the Soviet Union, Mongolia now wishes to expand its economic relations with all nations, particularly those in Asia, the official said.

"We will not go back on our political reforms," he said.

In July last year, Mongolia became the first socialist nation in Asia to hold multiparty elections.

Byambasuren expressed grave concern, however, whether international assistance would come in time for winter, which sets in around October, the official said.

Mongolian diplomats in Tokyo estimated the country needs 100 million dollars by year-end to help purchase fuel and parts to reap the harvest and an additional 50 million dollars by December.

Foreign Ministry officials in Tokyo said Japan is planning the international aid meeting for September 5-6. Expected to attend are Japan, the United States, Germany, the International Monetary Fund, the World Bank, and the Asian Development Bank.

Byambasuren also requested medium and long-term aid, and help in reviving his country's traditional vertical script.

Mongolia adopted the Russian Cyrillic alphabet after the Soviet Red Army helped a group of Mongolian revolutionaries expel Chinese rulers nearly five decades ago.

Mongolians under age 50 are unable to read the traditional script.

Last year public schools resumed instructing students in the old- style writing but teachers lack textbooks.

While Mongolia was under Soviet domination, citizens here were discouraged from practicing traditions or respecting traditional heroes.

The 13th century conqueror Genghis Khan, for example, was regarded as a negative figure because of his imperialist-style campaigns that spanned the Eurasian continent.

Byambasuren promised to cooperate with Japan in locating information on the some 14,000 Japanese prisoners of war detained in Mongolia after their capture by the Soviet Red Army in World War II.

He also promised to fix up POW graves and facilitate grave visits by families of the deceased. Some 1,600 soldiers died here.

In the 90-minute meeting Kaifu stressed that cooperation with Mongolia's two giant neighbors, China and the Soviet Union, is also necessary.

He reported that he has already discussed with China plans to upgrade railways to facilitate the export of Mongolian goods via Chinese ports.

Kaifu arrived for an overnight visit here earlier in the day from China, where he had held three days of talks.

The aid package offered by Kaifu included donations of parts for the repair and improvement of electric power plants, and 100 million dollars in trade insurance to be disbursed over a two-year period.

Kaifu also announced a new program to invite 10 Mongolian youth to Japan each year for the next five years.

Earlier in the day, Foreign Minister Taro Nakayama signed an agreement with Mongolian Foreign Minister Tserenpiliyn Gombosuren pledging 950 million yen to build a ground station to receive satellite communications.

On their arrival for the whirlwind visit, Kaifu, his wife Sachiyo, and Nakayama were welcomed at the airport by a brass band and honor guard dressed in colorful red and blue tunics, tall leather boots and peaked hats.

Kaifu will meet President Punsalmaagiyn Ochirbat later in the day. He is to get a taste of traditonal Mongolian life Wednesday when he visits a ger, the traditional felt tent or yurt, and watches Mongolian wrestling and archers on horseback.

Kaifu is due to return to Tokyo via Beijing on Wednesday evening.

North Korea

South, U.S. Military 'Provocation' Cited

SK1308125891 Pyongyang Korean Central Broadcasting Network in Korean 0956 GMT 13 Aug 91

[Text] The South Korean puppets committed a grave military provocation inside the demilitarized zone [DMZ].

On 13 August at 1310, the South Korean puppets openly brought armored cars in front of Military Demarcation Line [MDL] Marker No. 0590, which is located on the south side of the DMZ. At 1435 at the same place, the South Korean puppets also brought in 105-millimeter guns and set them up in front.

On 13 August at 1425, the South Korean puppets brought 50 completely armed rascals to the ridgeline of the unidentified heights inside the western front of MDL Marker No. 0250, which is located on the east side of the DMZ.

On 12 August at 1139, a [word indistinct] gun was brought in front of MDL Marker No. 0590, located on the south side of the DMZ. Also, at 1440 on the same day two 12.7-millimeter large caliber machine guns were brought in and set up inside the eastern front of MDL Marker No. 0940, located around the southeast area. These guns were aimed at our side, thus threatening us.

On 12 August at 2015 in front of western side of MDL Marker No. 0270, located on the west side of the DMZ, the South Korean puppets fired M-16 automatic rifles at our side's guard post, seriously threatening our side's guard post.

During the past two months, the South Korean puppets openly committed hostile acts by bringing 31,600 rascals armed with heavy weapons and automatic weapons, 70 12.7-millimeter large caliber machine guns, and 30 guns into the DMZ.

These are outrageous violations by the South Korean puppets of the Armistice Agreement and an intentional, planned, and provocative maneuver to artificially aggravate the situation in the MDL and the DMZ.

The U.S. imperialists and the South Korean puppets must look into the situation and must not run amuck indiscriminately.

KCNA Reports ROK 'Provocation' at DMZ

SK1308153491 Pyongyang KCNA in English 1519 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—The South Korean puppets perpetrated a grave military provocation by bringing an armoured vehicle to the demilitarised zone (DMZ) south of marker 0590 of the military demarcation line (MDL) in the central sector of the front at about 13:10 today, and deploying a 105 mm gun at a position in the same place at about 14:35 today.

They hurled some 50 armed bandits into the ridge of a nameless hill in the DMZ east of MDL marker 0250 in the western sector of the front at about 14:25 today.

On August 12, they deployed a Vulkan gun at a position in the DMZ South of MDL marker 0590 in the central sector of the front and installed two 12.7 mm machineguns in the position southeast of MDL marker 0940 in the eastern sector of the front and took a posture of firing them at our side.

On the same day, the South Korean puppets in the DMZ west of MDL marker 0270 in the western sector of the front fired M-16 rifle bullets at the opposite post of the civil police of our side.

They have brought a total of about 31,600 bandits armed with heavy and automatic weapons, some 70 pieces of 12.7 mm machineguns and some 30 recoilless guns in the DMZ in the last two months or more.

This is a wanton violation of the armistice agreement and a deliberate and premeditated provocation aimed at artificially aggravating the situation in the DMZ along the MDL.

Meeting Denounces U.S., ROK 'Criminal Acts'

SK1308112991 Pyongyang KCNA in English 1032 GMT 13 Aug 91

[Text] Panmunjom August 13 (KCNA)—A meeting is now being held on the ground in front of the Panmun house in Panmunjom to denounce the criminal acts of the U.S. imperialists and the South Korean authorities in blocking the way of the Mt. Paektu-Mt. Halla grand march for the promotion of national reunification and of the delegates of the National Council of Student Representatives of South Korea (Chondaehyop) Pak Song-hui and Song Yong-song.

Members of the march squad and Chondaehyop delegates Pak Song-hui and Song Yong-song are present at the meeting.

The speakers said that the criminal acts of the U.S. imperialists and the South Korean authorities in blocking the way of the march squad to the South could never be tolerated.

Declaring that the march squad will come here again on August 15, they demanded that the road to the South be opened to the squad on that date.

Souvenirs Given to Chondaehyop Delegates

SK1308135291 Pyongyang KCNA in English 1055 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)— Coed Pak Song-hui who arrived here on August 5 to join the Mt. Paektu-Mt. Halla grand march for reunification on the 46th anniversary of the country's liberation received a large number of silk banners telegrams, letters, poems and souvenirs from different parts of the country.

Old women Yi chu-ok and Kang Yun-mo residing in Yukgyo-dong No. 2, Pyongchon District, Pyongyang, Han Myong-hui residing in Songnim City, North Hwanghae Province, Yun In-ok working at the Taesongsan General Management Bureau and many other people sent silk banners embroidered with much care.

Upon hearing the news that coed Pak greets her mother's sixtieth birthday during the grand march, people in Samjiyon County, Yanggang Province and employees of the Pyongyang Koryo Hotel prepared tables with sincerity for her mother in the south.

The creators of the Mansudae art studio presented Pak Song-hui with art works showing her appearance and such souvenirs as a hanging-roll, embroidery and porcelains wishing her mother longevity.

Delegate Song Yong-song who arrived here on August 10 also received many telegrams, letters and souvenirs from different parts of the northern half of the country.

South Prohibition of 13 Aug Student Talks

SK1308154991 Pyongyang KCNA in English 1523 GMT 13 Aug 91

["Working-Level Talks Between Delegates of KSC [Korean Students Committee] and FSDUG [Federation of Seoul District University Gazeteers] of South Korea Made Abortive"—KCNA headline]

[Text] Panmunjom August 13 (KCNA)—At the working-level talks held August 12 between delegates of the Korean Students Committee (KSC) and delegates of the Federation of Seoul District University Gazetteers (FSDUG) of South Korea to discuss practical matters related to the visit to the North of a press group of the FSDUG for news coverage, the sides decided to hold the second round of working-level talks at the conference room of the Neutral Nations Supervisory Commission (NNSC) at Panmunjom at three P.M. August 13.

The delegates of the KSC went to the venue of the talks, the conference room of the NNSC at Panmunjom on time and waited for the delegates of the FSDUG to come out.

But, the delegates of the FSDUG could not come out to the talks because the South Korean authorities blocked on an unreasonable ground their way to Panmunjom to participate in the working-level talks.

The delegates of the KSC asked to meet with a liaison official of the South side at Panmunjom to convey an invitation card and a memorandum of guarantee for personal safety to the delegates of the FSDUG, but the South side doggedly refused it.

The South Korean authorities yesterday said they allowed the visit to the North of a press group of the FSDUG for news coverage and the working-level talks for it, but changed their position overnight and blocked the way of the delegates of the FSDUG, saying they would not allow it. This is an antireunification act mocking the nation.

The delegates of the KSC published a statement on the spot denouncing the antinational crime of the South Korean authorities.

Red Cross Sends Telephone Message to South

SK1308121091 Pyongyang KCNA in English 1100 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—Yi Song-ho, acting chairman of the C.C. [Central Committee], the Red Cross Society of the DPRK, today sent a telephone message to Kang Yong-hun, president of the South Korean Red Cross.

Notifying the latter that two liaison officials would be sent to the conference room of the Neutral Nations Supervisory Commission at Panmunjom on three P.M. August 16 (Friday) to convey a letter addressed to the National Federation of Press Unions of South Korea at the request of the chairman of the preparatory committee for the consultative meeting of the president of the journalism organisations in Asia and Oceania, the message asked the South side to take a corresponding measure.

Daily Calls South's Talk on Reunification 'Lie'

SK1408050991 Pyongyang KCNA in English 0441 GMT 14 Aug 91

["Epileptic Fit of Enemy of Reunification"—KCNA headline]

[Text] Pyongyang August 14 (KCNA)—The South Korean authorities are blocking the way of students belonging to the National Council of Student Representatives (Chondaehyop) who are on the Mt. Halla-Mt. Paektu grand reunification march toward Seoul, the venue of the pan-national rally (PNR), at the point of the bayonet with the 15th of August just at hand.

Commenting on this, NODONG SINMUN today recalls that the No Tae-u group totally blockaded the venue of the second PNR with more than 12,000 police troops of 88 companies on August 11 and 12 and rounded up more than 85,000 people on August 10 and 11 alone through a "wholesale checkup" allegedly directed against all crimes.

The news analyst says:

This is a de facto war against reunification, a scorched-earth operation against the pro-reunification patriotic forces and reunification movement, not a mere move to obstruct the reunification festivals. It furnishes clear proof that No Tae-u is a truculent enemy of the nation, enemy of reunification, with whom our fellow countrymen who want reunification cannot live under the same sky.

The second PNR is not an assembly for removing somebody or opposing and attacking any one side. It is a historical gathering of broad-based civilian organizations in the North and the South and overseas which aspire to reunification, a rally aimed at achieving national reconciliation, unity and reunification at an early date. Herein lies the reason why all the fellow countrymen pin their great hope on the rally and focus their attention on Seoul, its venue.

Any Korean who really wants reunification cannot oppose such reunification festivals as the PNR and grand reunification festival of students but should welcome it.

Nevertheless, No Tae-u is standing against the nationwide reunification festivals. This shows once again that his group has no intention to achieve reunification and their talk about "reunification" and the like is a lie.

Daily Equates Patriotic Line With Unity

SK1308102291 Pyongyang KCNA in English 0958 GMT 13 Aug 91

["Line of Achieving Great national Unity Is Patriotic Line Based on Chuche-Orientated View on Nation"—KCNA headline]

[Text] Pyongyang August 13 (KCNA)—The great leader Comrade Kim Il-song's idea of achieving the great unity of the nation to reunify the country independently and peacefully, elucidated in his historical work "Let Us Achieve the Great Unity of our Nation," is based on the chuche-orientated view on the nation which embodies the basic principle of the chuche idea, a new man-centred philosophical idea, says NODONG SINMUN in a by-lined article today.

The article quotes Comrade Kim Il-song as saying:

"A nation must regard its independence as its lifeblood and advocate and realize its independence by united effort and achieve its common prosperity. I can say this is our chuche-orientated view on the nation."

The article reads in part:

Basing himself on this chuche-orientated view on the nation, Comrade Kim Il-song pointed out that the driving force for national reunification is the entire Korean nation and it can be achieved by the nation's own force. The decisive guarantee for the reunification of the country lies in the achievement of the unity of the whole nation and in strengthening the driving force of reunification, he stressed.

If our nation, as the driving force of national reunification, is to fulfill its responsibility and role, it must be united firmly as one, transcending the differences in ideology, idea and system.

Only when our nation is united as one can it display matchless strength, smash the moves of separatist forces for a permanent division of the nation and successfully accomplish the cause of national reunification by its own efforts.

In the work, Comrade Kim Il-song defined the concept of the nation and expounded the essence of the question of a nation and, on this basis, stressed that all the Korean people must unite closely under the banner of great national unity, in the spirit of patriotism and national independence, saying ours, a homogeneous nation, is a nation with a strong spirit of patriotism and independence.

True nationalism in our country, a homogeneous national state, is immediately patriotism. Our people who have inherited the same blood generation after generation and built up brilliant national culture with the same language on a same territory have always loved their fatherland ardently and fought vigorously to defend the independence of the country and the nation. It is a priceless, proud tradition of our nation that it has brought genuine nationalism, patriotism into full play.

Comrade Kim Il-song said that not only the country should be reunified through the great unity of the nation but an ideal society for the people be built by the united efforts of the whole nation after the reunification of the country so that all the people may equally enjoy boundless happiness in this land.

This idea is a banner of patriotism, a great programme of national unity and reunification which could be propounded only by the respected leader Comrade Kim Il-song, a peerless patriot, the sun of the nation and lodestar of reunification who set out on the road of revolution in his early years, founded the immortal chuche idea and built the driving force of the nation, the motive force of revolution to triumphantly shape the destiny of the country and the nation and has been devoting his whole life to the struggle for the reunification and independence of the country, for the prosperity of the nation.

The line of achieving the great unity of the nation, set forth by Comrade Kim Il-song in his historical work on August 1, is a banner of national unity which makes it possible to achieve reunification at an earlier date by the overwhelming superiority of the pro-reunification patriotic forces and a fair and feasible line of patriotism which is acceptable to any one who wants reunification of the country.

South Student Defector Gives Interview

SK1308132391 Pyongyang KCNA in English 1035 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—Yi Song-uk, a third-year student of the industrial management course of Taegu university in South Korea, who came over to the northern half of Korea in July, was interviewed by home and foreign reporters in Pyongyang today.

Yi Song-uk, 25, hailing from Hamyang County, South Kyongsang Province, graduated from the local high school and then studied at Taegu University before being drafted into the puppet army in April 1988 and later studied at the university again.

He said that he determined to come over to the North since he realised, while serving in a marine corps in Kanghwa Island where the northern half of the country is visible, that the North is a society for the people, fundamentally different from that of the South where the rich get righer and the poor poorer, a society where free medical service and free education are in force and all the people are evenly and equally well off.

He went on:

I have come over to the North by swimming eight kilometres from Kanghwa Island, conscious that I must come here, if I am to lead a life worthy of man.

The Americans and their stooges are running wild to use the "Chongnyong Unit," the Second Division of the Marine Corps to which I belonged (a notorious unit which took part in the Vietnam war), as a shock brigade in a war against the North.

The "Team Spirit" joint military exercises are a war game against the North. My division has conducted surprise landing exercises such as measuring the water-level of Yimchin and Han Rivers and gun-firing to break the ice every year.

Harsh physical torture of soldiers and violations of human rights are committed in the puppet army almost every day. Owing to this, [word indistinct] 1,300 soldiers kill themselves or are beaten dead every year in the peace time.

Referring to the recently intensified struggle of students in South Korea, he said that the struggle is characterized by the fact that all the activist students are waging the anti-U.S., antifascist struggle for national reunification with the profound truth of the chuche idea as their ideological basis and a vigorous worker-student, peasant-student solidarity struggle is being waged.

He said that the man-centred socialist system in the North is the bosom of a true life where he can live and bring his hope and ideal into bloom.

He said he feels pride in that the great President Kim Il-song and the dear leader Mr. Kim Chong-il are nourishing the construction of man-centred socialism and the people, rallied close around them, have built a sovereign and independent state of the nation, a paradise of people which is unimaginable in the South.

He emphasized that national reunification should be realised in a peaceful way through a confederacy proposed by President Kim Il-song.

Korean Women in U.S. Give Gift to Kim Il-song

SK1308134191 Pyongyang KCNA in English 1050 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—The great leader President Kim Il-song received a gift from Yi Pok-sin, vice-chairman of the committee of Korean women in the United States for peaceful reunification.

It was conveyed to an official concerned by Choe Chong-yol, advisor to the Northern American headquarters of the Pan-national Alliance for the Country's Reunification and chairman of the committee.

USSR Supreme Soviet Vice President Departs

SK1308133591 Pyongyang KCNA in English 1048 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—A. Mokanu, vice-president of the Soviet of the Union of the Supreme Soviet of the USSR, and his party left for home today after visiting the Democratic People's Republic of Korea upon the invitation of the great leader President Kim Il-song.

They were seen off at the airport by Paek In-chun, vice-chairman of the Supreme People's Assembly, Yi In-kyu, vice-minister of foreign affairs, and Aleksandr Kapto, Soviet ambassador to Korea.

British, Soviet Delegation Visits Reported

SK1308134591 Pyongyang KCNA in English 1052 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—A British chuche idea study delegation headed by Keith Bennett, political editor of the British paper ASIAN TIMES, and Vladimir Tolstikov, first vice-chairman of the Soviet Afro-Asian Solidarity Committee, arrived here Monday.

China Dismisses Rumor of Opening Consular Office

SK1408050691 Pyongyang KCNA in English 0432 GMT 14 Aug 91

[Text] Beijing August 12 (KCNA)—China dismissed the rumour spread by the South Korean puppets about "South Korea-China talks on opening consular offices."

TASS August 8 quoted an AFP report from Beijing as saying that the spokesman of the Chinese Foreign Ministry dismissed as "utterly groundless" a South Korean senior official's reported comment that Seoul planned to begin talks with Beijing on opening consular offices immediately after the admission of the North and the South of Korea to the United Nations.

The AFP report said the Chinese Foreign Ministry ruled out talks this year with South Korea on establishing consular ties.

Japanese Prime Minister's Remarks on Ties Cited

SK1408105291 Pyongyang KCNA in English 1010 GMT 14 Aug 91

[Text] Pyongyang August 14 (KCNA)—Japanese Prime Minister Toshiki Kaifu on a visit to China in his speech at the Sino-Japanese Youth Exchange Centre in Beijing on August 11 said Japan intends to support the development of inter-Korean dialogues and the movements for the peaceful reunification of the Korean peninsula, according to a report.

Japan will do its best to ease the tension on the Korean peninsula, he added.

He said Japan would continue negotiations with the DPRK for the normalisation of relations.

Japanese Organizations 'Demanding' Relations

SK1408103991 Pyongyang KCNA in English 0958 GMT 14 Aug 91

[Text] Pyongyang August 14 (KCNA)—Japanese organisations in different areas are demanding an early normalisation of Japan-DPRK diplomatic relations, a KNS report from Tokyo said.

The Fukuoka prefectural assembly on July 23 adopted a recommendation on the normalisation of diplomatic relations between Japan and the DPRK and sent it to the prime minister and the foreign minister of Japan. Recommendations were adopted at assemblies of 19 cities, 52 cho and five mura in this prefecture as well as the prefectural assembly.

The recommendation adopted at the prefectural assembly strongly urged the government to make positive efforts for an early realisation of diplomatic relations, saying that if Japan and the DPRK hold negotiation in the spirit of independence, peace and friendship, they will surely reach an agreement.

The resolution adopted at the 50th regular meeting of the Fukuoka prefectural headquarters of the Japan Social-Democratic Party [JSDP] said that improving the relations and deepening friendship between Japan and the DPRK is an earnest desire of the two peoples and a requirement of the times, and urged the Japanese Government to approach the Japan-DPRK talks with sincerity.

The resolution adopted at the 38th regular meeting of the Kumamoto general branch of the Japan Social-Democratic Party strongly urged the Japanese Government to reflect on the past colonial rule over Korea and hold intergovernmental negotiation on the basis of the three-party joint declaration.

The resolution adopted at the 51st regular meeting of the Miyazaki prefectural headquarters of the JSDP said that liquidating the past and normalising the relations between Japan and the DPRK conforms to the interests and aspirations of the two countries and is conducive to peace and security in Asia and the world. The Japanese Government must frankly reflect on, apologise and properly compensate for its past wrongs, it stressed.

The sixth meeting of the Miyazaki prefectural society of women for solidarity with Korean women urged an early realisation of Japan-DPRK diplomatic relations.

Reportage on Ugandan Deputy Minister's Visit

KCNA Interviews Ugandan Visitor

SK1408104991 Pyongyang KCNA in English
1004 GMT 14 Aug 91

[Text] Pyongyang August 14 (KCNA)—Eriya Kategaya, national political commissar of the National Resistance Movement and first deputy prime minister of the Republic of Uganda, in an interview with a KCNA reporter before leaving for home said that he has come to realize that Korea is a true people-first country of socialism in which everything serves the popular masses.

Referring to the great honor of his being received in audience by the great leader Comrade Kim Il-song, he said that it is a great privilege to his delegation that it got his precious teachings.

Noting that the people-first socialism is being built confidently in Korea, he said that he would strengthen and develop the Ugandan National Resistance Movement into a powerful political organisation of the Ugandan people by following the valuable experiences gained by the Workers' Party of Korea in the party and state building.

The words of the great leader Comrade Kim Il-song on thoroughly rejecting dogmatism in revolution and construction are very just and wise teachings, he said, and pointed out:

The great leader published his historic work "Let Us Achieve the Great Unity of Our Nation". This work is of weighty significance in achieving the reunification of the country by the united strength of the entire Korean people.

Supporting the DPRK's decision to join the United Nations, he expressed the belief that Korea would be a reunified state with a single seat in the United Nations in the future.

A prerequisite to peace on the Korean peninsula and the reunification of Korea is the withdrawal of U.S. troops and nuclear weapons from South Korea, he said, and added: The National Resistance Movement, the government and the people of Uganda will as ever actively support and encourage the Korean people in their struggle for national reunification.

Ugandan Delegation Departs

SK1308133091 Pyongyang KCNA in English
1047 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—The delegation of the Ugandan National Resistance Movement led by Erlya Kategaya, national political commissar of the movement and first deputy prime minister of the Republic of Uganda, left here for home today after having visited Korea at the invitation of the Central Committee of the Workers' Party of Korea.

During its stay the delegation visited Mangyongtae and different places of Pyongyang including the grand people's study house, modernly built Kwangpok and Chongchun streets.

Minister Sends Message to New SRV Counterpart

SK1408044591 Pyongyang KCNA in English
0430 GMT 14 Aug 91

[Text] Pyongyang August 14 (KCNA)—Foreign Minister Kim Yong-nam sent a message of greetings to Nguyen Manh Cam on his election as foreign minister of Vietnam.

The message expressed the belief that the traditional relations of friendship and cooperation between the two countries would grow stronger and develop in the common struggle for socialism, and wished the Vietnamese foreign minister great success in his responsible work.

Armed Forces Minister Meets Indonesian Envoy

SK1308135791 Pyongyang KCNA in English
1059 GMT 13 Aug 91

[Text] Pyongyang August 13 (KCNA)—Comrade O Chin-u, minister of People's Armed Forces, today met and conversed with R. Muhamed Muharam Sumadipraja, ambassador of the Republic of Indonesia to the DPRK, who paid a courtesy call on him.

Daily Notes Pakistani Independence Anniversary

SK1408105691 Pyongyang KCNA in English 1012 GMT 14 Aug 91

[Text] Pyongyang August 14 (KCNA)—NODONG SINMUN today dedicates an article to the 44th anniversary of the independence of Pakistan.

Noting that the Pakistani people have since the independence achieved a social progress and country's development, the author of the article goes on:

These years the Pakistani people have made active efforts to build a democratic and prosperous, new society under the slogan of self-reliance.

They are defending the dignity of the country and striving hard for peace in south Asia, not yielding to the unwarranted demand and pressure of the imperialists.

Korea and Pakistan established friendly and cooperative relations long ago and have developed them on good terms.

The Korean people warmly congratulate the Pakistani people on their independence day and hope for a greater success in their endeavours to build a democratic Pakistan.

Special Envoy Conveys Letter to Nepalese King

SK1408050891 Pyongyang KCNA in English 0437 GMT 14 Aug 91

[Text] Pyongyang August 14 (KCNA)—King Birendra Bir Bikram Shah Dev of Nepal on Aug. 12 met with chairman of the State Education Commission Choe Ki-yong who is special envoy of the great leader President Kim Il-song.

The special envoy conveyed a personal letter of President Kim Il-song to the King.

The King said Nepal has always taken the position that Korea should be reunified peacefully, without outside interference, and will continue its support to Korea's reunification.

Korea must be reunified independently in accordance with the desire of the Korean people, he said, and expressed support to the DPRK's U.N. Membership.

Earlier, on the 11th, the special envoy was received by Nepalese Prime Minister Girija Prasad Koirala.

He conveyed a personal letter of President Kim Il-song to the prime minister.

G.P. Koirala said the great leader His Excellency President Kim Il-song and the dear leader His Excellency Kim Chong-il are the greatest men and the Korean people under their wise leadership are the happiest people.

However complicated the world situation may be today, only Korea is successfully carrying on the building of socialism without vacillation, he noted, adding: It is because the leader, the party and the masses are closely united as one in Korea.

Kim Chong-il's Feats in Party Ideology Lauded

SK1408025091 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 3 Aug 91

[Unattributed talk: "Looking Back on the History of Great Guidance—Providing a New Turning Point in the Party's Ideological Work"]

[Text] The struggle for socialism in our country keeps advancing along a never-ending single path without the slightest deviation or stagnation.

Moreover, despite the antisocialist moves that the reactionaries of history have strengthened in recent years on a scope previously unknown, our people, are now bringing to full flower our own style of socialism centered on the popular masses, with overflowing faith and a rosy view of the future, by renewing their conviction that the socialist cause will eventually triumph without fail.

In the justness and the firm conviction and optimism that the socialist cause is invincible and will triumph in the end without fail we detect the ideological and spiritual heights that our people have climbed, with great sense of pride.

When the people's thoughts are corrupted, no social system can give full play to its superiority, nor defend the revolutionary gains attained in the course of a long struggle, no matter how wonderful it may be. This is a truth taught by history.

Basing itself on the profound and scientific insight into the decisive role men's thoughts and consciousness play in the revolution and construction, our party has always directed great attention to the ideological indoctrination work intended to make all the members of society chuche-type communist revolutionaries. As a result, it has been able to bring up our people's ideological and spiritual traits to the level where they are today and in the process has laid a rock-firm foundation for society's ideology.

Herein lies one of the shining exploits that our party has accomplished in the course of carrying out the chuche revolutionary cause, the socialist cause.

With his profound insight into the importance of the work of ideological indoctrination in carrying out the socialist cause, the great leader Comrade Kim Il-song gave the work of ideological indoctrination precedence over all the other works and advance along a single path leading to victory.

The dear leader Comrade Kim Chong-il has noted: Today when the cause of imbuing society with the chuche idea is being pushed in full force, the party is greatly responsible for the ideological work.

The dear comrade leader has energetically led the struggle designed to endlessly improve the party's ideological work in accordance with the demand of the new level that the cause of imbuing society with the chuche idea has entered.

That the dear comrade leader has stated anew the mission and duty of the party's ideological work in accordance with the demands of the cause of imbuing society with the chuche idea was an outstanding feat that has brilliantly settled the key problem in providing a new turning point for the party's ideological work.

The imbuing of society with the chuche idea is the highest stage of our revolutionary cause of modeling society on the monolithic ideology, the great leaders's ideology.

A perfect formulation of the basic duty that the cause of imbuing society with the chuche idea should be assumed as our party's supreme program, that the party's ideological work should be made to fulfill a noble objective and mission of making all the members of society the chuche-type communist revolutionaries, and that all manner of our party's ideological works should be filled with the chuche idea—the mission and duty facing our party's ideological work as uniquely explained by the dear comrade leader—has made our party's ideological work vigorously accelerate the work of educating people as truly chuche-type communist revolutionaries, with clear objectives and directions for the realization of their sacred cause of imbuing society with the chuche idea.

Mission and duty cannot be fulfilled automatically. The dear leader Comrade Kim Chong-il has sagaciously led our party's ideological work to satisfactorily fulfill its noble mission and duty.

The dear comrade leader has seen to it that the contents of our party's ideological work is newly reformed. All of our party's ideological indoctrination works are from start to finish the indoctrination on the unitary ideology, the chuche idea, the main theme of which is indoctrination on loyalty.

In this we can see the appearance of new changes in the substance of the party's ideological work. Reflected in the appearance of new changes in the substance of the party's ideological work are the profound meditation and labor that the dear comrade leader has devoted to reforming the party's ideological work, as well as his shining exploits achieved in the course of deepening and developing the party's ideological work.

The dear comrade has uniquely explained that, as all the ideological indoctrination works that our party conducts should be made to contribute to organizationally and ideologically strengthening the revolutionary ranks and to heightening the popular masses' independent and creative role, all manner of ideological indoctrination work, such as indoctrination on loyalty, indoctrination on class, indoctrination on socialism and patriotism, indoctrination on the revolutionary traditions, and indoctrination on party policy, should be conducted on the basis of the fundamentals of the chuche idea.

The dear comrade leader has taught that the indoctrination on the chuche idea for party members and working people be substantively conducted in close combination with the indoctrination on class, indoctrination on the revolutionary traditions, and indoctrination on socialism and patriotism and it be pushed more vigorously as an important key to giving full play to the superiority of socialism.

As a result, it began to push the indoctrination on the chuche idea on broader substance and fill the entire party and society with a refreshing trait of thinking according to the dictate of the chuche-oriented point of view and live and work in accordance with the demands of the chuche idea.

The revolutionary ranks are under firm control of a revolutionary faith to walk along the path indicated by the chuche idea, come what difficulties. This is the most valuable fruition of our party's ideological work.

The dear leader Comrade Kim Chong-il, defining the indoctrination on loyalty as the fundamentals of our party's ideological work, has made all manner of ideological indoctrinations boil down to the indoctrination on loyalty. This constitutes a major part of the exploits he has achieved in his leadership of leading the party's ideological work to a new turning point.

The loyalty to the party and leader is the basic question that determines the fate of the working class in carrying out its revolutionary cause.

The dear comrade leader, after defining the loyalty as the most basic trait of the communist revolutionaries, has provided a correct method and an excellent way to cherish it as a revolutionary faith and a sense of obligation and to substantially conduct the indoctrination on loyalty by combing it with the indoctrination on principles, indoctrination on virtues, and indoctrination on the living examples of loyalty. This is a shining exploit of the dear comrade leader who has reformed the substance of the party's ideological work.

In this way, the dear comrade leader has energetically guided the indoctrination on loyalty to strengthen it, thereby bringing a new trait of loyalty to full flower in the entire party and society.

At a time when the people's hearts are filled with firm conviction that they will entrust their fate and future to the party and to follow the party indefinitely, the ranks of unsung heroes and unsung persons of distinguished services who have devoted their whole lifetime to pleasing the great leader and party, without hoping for honor or reward, are lengthening without interruption.

Thanks to the warm loyalty to unconditional devotion to fulfillment of the party's objectives under the slogan reading "What the party decides, we will do," great monuments and towers of exploits of the Workers' Party era are soaring without let-up.

Reality as such, made possible by new changes in the party's ideological work, is a proud trait that can be found only in our party and people that leave no stone unturned to realize the party's will and lines that have been accepted by the popular masses.

The dear leader Comrade Kim Chong-il has successfully carried out the work of bringing up chuche-type communistic men by sagaciously leading the party's ideological work changing its form and method.

Historic measures taken by the dear comrade leader to reform the form and method of the party's ideological work are countless and efforts indescribable. He has meticulously led indoctrination on the chuche idea to advance substantively by correctly managing the support points for the indoctrination on the chuche idea built in many places across the country; after presenting a slogan "The entire party should study," he saw to it that a revolutionary academic spirit dominates society by introducing study on the same level as being an anti-Japanese guerrilla; he gave detailed guidance so that the improved forms and method of lecture propaganda, one of the major party ideological works can actively contribute to bring up communistic men; and he has taken wise steps to improve and strengthen the distribution and utilization of publications and reports, literary and art works, and there are many stories about his effort.

Nobody knows how many stories there are to be told presently about the party propaganda functionaries who, without formality, go among the masses with sacks on their back, to share the same weal and woe with them, eating the same food with them, and with passion and ambition explain to the popular masses the great leader's teachings and their embodiment, the party policies, and then encourage them to realize them.

Indeed, thanks to the dear leader Comrade Kim Chong-il's energetic activity, changes of historic proportions have occurred in our party's ideological work.

Today, our party's ideological work has become a powerful weapon capable of brining up people as more independent social beings in accordance with the demands of the cause of imbuing society with the chuche idea and of vigorously propelling the revolution and construction.

The fruit borne by basic changes in the party's ideological work is indeed rich and valuable. Without the encouraging role of the party's ideological work and its unlimited vitality, it is impossible to conceive of the reality—new changes have taken place in the ideological and spiritual traits and work manner, the single-minded unity is being cemented, and might of our own style of socialism is highly displayed with the passage of time.

It is thanks to the outstanding and tested guidance of the dear leader Comrade Kim Chong-il who has brought drastic changes in the party's ideological work that our people, who, with firm revolutionary faith, are endlessly loyal to the party and leader, have been able to grow proudly as they are now and thanks to the ranks of such people and such driving force behind the revolution, our socialist cause can continue to make giant strides without wavering in any storms.

All the party members and working people will defend and glorify forever our party's immortal exploits achieved in the party's ideological work and will vigorously hasten the final victory of our own style of socialism.

KCNA Reviews 14 Aug Pyongyang Press

SK1408052491 Pyongyang KCNA in English 0450 GMT 14 Aug 91

[Press review]

[Text] Pyongyang August 14 (KCNA)—Papers here today report that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, was invited to a reception given by the Cuban ambassador e.p. to Korea on the occasion of the 65th birthday of Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba.

NODONG SINMUN carries a letter to the great leader President Kim Il-song from Dominic Mintoff, former prime minister of the Republic of Malta, on behalf of the participants of the starting ceremony of the "international solidarity march for supporting Korea's reunification" in Senglea, Malta.

President Kim Il-song received a gift from the vice-chairman of the Committee of Korean Women in the United States for Peaceful Reunification, says the press.

Appearing in the press are a message of greetings to President Kim Il-song of the Democratic People's Republic of Korea from Jerry John Rawlings, head of state and chairman of the Provisional National Defence Council of the Republic of Ghana, and a congratulatory letter to him from foreign crewmen staying in Korea on the 46th anniversary of the liberation of the country.

Papers report that the royal king and prime minister of Nepal met the chairman of the State Education Commission on a visit to Nepal as a special envoy of President Kim Il-song.

The dear leader Comrade Kim Chong-il's work "Our Socialism for the People Will Not Perish" was studied and disseminated in foreign countries, says NODONG SINMUN.

Words of South Korean people deeply revering President Kim Il-song and Comrade Kim Chong-il were conveyed in the paper.

A message of thanks of the Central Committee of the Workers' Party of Korea was conveyed to the soldiers of the Korean People's Army who contributed to the work of preserving gifts at the international friendship exhibition, says the press.

MINJU CHOSON tells a story that Comrade Kim Chong-il led officials with his practical examples to always go down to lower units and acquaint themselves with the actual conditions and find correct solutions to work.

Econews of the press includes reports about innovations being effected by working people in South Hamgyong Province in production and construction and achievements in railway transport.

According to the press, the Mt. Paektu-Mt. Halla grand march squad for the promotion of national reunification left Pyongyang on August 13 and arrived in Kaesong amid warm welcome and it arrived in Panmunjom and held a meeting to denounce the U.S. imperialists and the South Korean authorities for blocking its way to Seoul.

Appearing in the press is an account of a youth forum of the members of the march squad on the subject "National Reunification and Youth and Students" and a report that many silk banners, telegrams, letters, poems and souvenir goods came to Pak Song-hui and Song Yong-song, delegates of the South Korean National Council of Student Representatives (Chondaehyop), from all over the country.

Nepalese political party leaders met with the head of a delegation of the Workers' Party of Korea, reports NODONG SINMUN.

MINJU CHOSON prints an editorial entitled "International Solidarity for the Cause of Korean Reunification" upon the successful close of the June 25-July 27 month of anti-U.S. joint struggle.

Yi Song-uk, a student of Taegu University in South Korea who came over to the northern half of the country, was interviewed by home and foreign reporters, says the press.

Papers inform the reading public of grave military provocations committed by the South Korean puppets in the Demilitarized Zone.

Working-level talks between the delegates of the Korean Students Committee and the delegates of the South Korean Federation of Seoul District University Gazetters were foiled by the obstructive moves of the South Korean authorities, according to dailies.

The South Korean news of the press includes reports that the Coalition for National Democratic Movement (Chonminnyon) and Chondaehyop declared the opening of the '91 pan-national rally and some 4,000 students, workers, citizens and others in Seoul joined in the PNR.

NODONG SINMUN in a commentary hits out at the No Tae-u ruling group's crackdown moves to frustrate the August 15 grand reunification festivals.

Conveyed in the press are world public voices demanding the United States withdraw from South Korea, taking along its nuclear weapons and aggressor troops.

Included in the international news columns of the press are reports that the Japanese prime minister expressed his intention to support detente on the Korean peninsula and its peaceful reunification and that the president of the Senate of Mexico rejected the U.S. meddling attempt at supervising general elections in his country.

Papers observe the 44th anniversary of the independence of Pakistan.

South Korea

North Scholars Refuse To Attend Seoul Meeting

SK1408100891 Seoul YONHAP in English 0942 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—North Korea virtually withdrew its earlier promise to send scholars to a "Korean philosophers' conference" scheduled to open in Seoul Aug. 21 by calling for its postponement Wednesday.

Kim Chang-won, director of the Institute of Philosophy at North Korea's Academy of Social Sciences, also asked Seoul conference organizers to change the title of the conference into a "pan-national philosophers' conference."

In a letter sent to chief Seoul organizer, Prof. So kwang-hi of Seoul National University, Kim said that the conference should eliminate the "government-oriented" nature and that North Korean scholars should take the whole charge of operating the No. 4 panel on chuche (self-reliance) ideology.

The letter was sent to Prof. So, chairman of the conference preparatory committee, via the truce village of Panmunjom Wednesday afternoon.

"On the occasion of the National Liberation Day Aug. 15, the pan-national rally and the grand reunification festival of youths and students are planned to be held in Seoul. However, your authorities are barring our delegates and observers from visiting Seoul and are publicly affirming that Chondaehyop [National Council of University Student Representatives] representatives now visiting Pyongyang would be arrested as soon as they return.

"Under these circumstances, our philosophers' attendance at the Seoul conference will not conform to the national yearning for reunification but will only benefit the facist forces," Kim said in the letter.

The South Korean Government has rejected the pan-national rally promoted by North Korea, some overseas Koreans and dissident organizations in South Korea.

Chondaehyop (the National Alliance of Student Representatives), the largest organization of collegian activists in South Korea, had sent two representatives to Pyongyang to prepare for the rally and the two are in Pyongyang now.

Kim said North Korean philosophers could take part in the conference only when it was put off until the atmosphere improved.

Prof. So said it was impossibile to postpone the scheduled conference and change the title of it. "The conference will proceed as scheduled at Seoul National University, even though problems appear concerning the attendance of North Korean scholars."

He said if the North Koreans did not come, the No. 4 panel on chuche ideology would have to be shelved. "We can't accept their proposal that they would take the whole charge of the panel."

"Chuche" is a doctrine by which North Korean President Kim Il-song rules the country. Its main idea is rejection of foreign influence.

North Korea on July 27 notified Seoul that it would send 10 scholars, five journalists and five supporting personnel to the Seoul conference on Aug. 20.

North Participation Wanted in National Day

SK1408054491 Seoul YONHAP in English 0533 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—Kim Chang-sik, head of the preparatory committee for inter-Korean reunification march, issued a statement Wednesday calling for North Korea's participation in the celebrations for the Aug. 15 national liberation day.

"There would be no reason for North Korea to refuse to participate if it really had an intention to jointly hold the congratulatory events," he said.

Kim said he expects North Korea to participate in events to be held even after Aug. 15 such as a reunification debate session.

The unification march events include a joint celebration of the liberation day, which marks 46th anniversary of Korea's liberation from Japan's imperial rule, and inter-Korean pilgrimage.

South Korean deputy prime minister-national unification minister Choe Ho-chung forwarded a proposal to that effect to North Korea on July 15 but North Korea virtually turned down the overtures, sticking to their own plan of holding pan-national rally which also included inter-Korean march.

No To Donate Gifts to UN During Trip in Sep

SK1408053291 Seoul YONHAP in English 0450 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—President No Tae-u will carry a copy of the world's first metal types on his trip to the United Nations next month to donate the world body as a gift of his country's admission to the U.N., the Culture Ministry said on Tuesday.

The gift is a newly type-cast Wolinchongangjigok, an epic on the life of Buddhah written in 1499, which was printed with movable metal types for the first time in the world, more than 200 years ahead of Johannes Gutenberg of Germany.

The donation is designed to inform the world of the fact that Korea has it own writing system, Hangul, and the copy will boost the country's image of the first user of metal type, ministry officials said.

Wolinchongangjigok is King Sejong's (1418-1450) own writing and the Korean alphabet is written in large letters and Chinese characters are printed in small letters.

The epic is one of the major works written in the Hangul alphabet in the early Choson period (1392-1910) and of greater significance in the study of ancient Korean language.

Plans Made To Discuss North Signing Agreements

SK1408085491 Seoul YONHAP in English 0747 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—South Korea will seek to sign agreements on travel, telecommunications and trade with North Korea and to establish a joint body to facilitate economic cooperation, a senior government official said Wednesday.

The official said South Korean delegates to the inter-Korean premiers' talks would sound out their counterparts about the "3-T" agreements and a "South-North joint economic commission" during the fourth round of the high-level talks opening in Pyongyang on Aug. 27.

"The upcoming talks will be focused on opening a channel of dialogue to substantiate economic relations between the two sides. We believe it is important to enhance the environment for direct dealings further, now that both sides succeeded in the transaction of rice last month," the official said.

Top on the agenda at the high-level talks will be adoption of a basic agreement on inter-Korean relations and a non-aggression declaration. If the talks make some progress, South Korean delegates will try to discuss the establishment of a joint economic commission, the official said.

South Korean delegates will also make efforts to ascertain the report that North Korea will actively participate in the creation of a special trade zone in the Tuman River basin.

Other topics of the forthcoming talks will be exchange of visits of families separated in South and North Korea, rehabilitation of railways linking Seoul to North Korean cities, opening land and air routes between the two sides, postal and telecommunications exchanges, and joint development of tourist attractions including Mt. Kumgang in North Korea and Mt. Sorak in South Korea.

South Students Fail To Cross Border

SK1408014291 Seoul THE KOREA HERALD in English 14 Aug 91 pp 3, 5

[Excerpts] Two South Korean student activists, now on an illegal North Korean visit, yesterday reached the truce village of Panmunjom on a cross-border march along with some 1,000 North Koreans, but soon withdrew to the North Korean city of Kaesong.

The two, Pak Song-hui and Song Yong-song, who had declared they would return to Seoul via Panmunjom, joined a "march for reunification" with North Koreans Aug. 7 from North Korea's highest peak of Mt. Paektu.

Earlier in the day, the government, reversing its stand, announced it would allow Pak and Song to cross over to the South via Panmunjom.

Fifteen representatives of Chondaehyop left Seoul for Panmunjom in an attempt to welcome the two student dissidents and hundreds of North Koreans to the week-long "pan-national rally" now under way at Kyonghui University, but were blocked by the police and returned to Seoul.

Organizers of the rally in Seoul were to welcome delegates from the North and overseas Koreans, none of whom was allowed to enter the South. [passage omitted]

At 5:30 A.M., the "reunification marchers" including Pak and Song left Pyongyang by train for Panmunjom to force a crossing, according to the North Korean Central News Agency.

When the march reached Kaesong, an old city north of the border, "a large crowd of students and citizens of the city warmly received and sent off the members" of the march including the two, KCNA said.

The well-wishers shouted slogans such as "national reunification" and sang songs for reunification, and Pak, Song and other marchers were given bouquets of flowers and had garlands placed around their necks before proceeding to Panmumjom, KCNA said.

They were expected to cross over to the South later in the day in an attempt to join southern students and dissidents in marking the 46th anniversary of National Liberation from 36-year Japanese colonial rule which falls on tomorrow.

Meanwhile, North Korean officials warned in a message to South Korean officials that the arrest of Pak and Song would have an adverse impact on the coming inter-Korean talks and relations between the two sides.

An inter-Korean prime ministers' meeting is scheduled for Pyongyang Aug. 27 and 28.

At around noon, about 600 North Koreans and the two Chondaehyop delegates appeared at Panmumjom, shouting slogans and singing songs for reunification.

But all of them withdrew to Kaesong at 1:15 P.M., saying that the U.S. forces were blocking the Military Demarcation Line.

In Seoul, some 4,000 students, who tried togather for the "pannational rally," burnt down three police vehicles while clashing with riot police troopers who tried block them from entering the Kyonghui University campus.

Breaking the police cordon, the students and dissidents stormed into Kyonghui and held the rally. The rally started Monday and will be held till Sunday.

Officials in Seoul said the North Koreans are expected to have a couple more rallies to show off "their will for reunification in contrast to Seoul's lukewarm stand." [passage omitted]

USSR Scholar Views Future of N-S Relations

SK1408001091 Seoul SEOUL SINMUN in Korean 10 Aug 91 pp 1, 2

[Special article contributed by Dr. Petrovich Eugene Bazhanov (47), vice director of the Academy of Diplomatic Affairs affiliated to the Soviet Foreign Ministry, who arrived in the ROK on 7 August for a 10-day visit at the invitation of the SEOUL SINMUN publishing company]

[Text] Recently the heads of states of the United States and the Soviet Union met in Moscow and reconfirmed that the cold war has come to a complete end. We should only give "superficial value" with regard to this fact. This is because we can be illusioned by the fact that the Strategic Arms Reduction Treaty has been concluded. Throughout history we have found many examples in which two countries that have mutually limited their war preparations are as usual under hostile relations.

During the U.S.-USSR summit talks U.S. President Bush promised that the United States will make every effort to free the Soviet Union from its current crisis. Nevertheless the United States does not by any means show sympathy for the Soviet Union nor does it want to help the Soviet Union overcome its weak points. Therefore, we must accept the meaning of the end of the cold war as the "cold war" which is only the past legacy that has disappeared superficially.

It is a fact that currently a friendly atmosphere is being created in international relations and that this is attributed to the changes within the Soviet Union. Since it is inevitable for changes to take place in Soviet politics, the existing system could collapse both ideologically and economically, and a new system that satisfies the world order would be created. If this is true we can reach a conclusion regarding this matter. This means that in the future, the situation in international relations will experience serious changes. The legacies of the cold war will all disappear in time and it will be inevitable for the confrontational situation on the Korean peninsula to come to an end.

It is already widely known on how the North and South became divided on the Korean peninsula and why it is in a state of confrontation. The ideological fervent desire to export socialist revolution; the ambition to become a big power; and the hatred towards the U.S. imperialists and security interests—these were the reasons which triggered Stalin to create a "brother regime" in the North side of the Korean peninsula and promoted reunification by force. There were some frictions with Pyongyang and the Soviet leaders after Stalin but they recognized North Korea as a strategic ally and steadily formed relations with North Korea. On the other hand, the United States drove out the communist ideology in South Korea and welcomed Seoul as its ally. This kind of different attitude by Moscow and Washington brought about a hostile confrontational situation on the Korean peninsula.

However currently, the international environment surrounding the Korean peninsula is showing serious changes.

Among the changes, what is most noteworthy is the fact that the Soviet policy regarding the ROK is changing. First of all, the Soviet Union does not want to stand face to face with the United States or any other country any longer and it also has no intention to stir up disorder. This kind of attitude by the Soviet Union applies to the Korean peninsula situation also. Therefore, North Korea cannot regard the Soviet Union as its strategic ally any longer.

The second fact is that the Soviet Union has given up its "policy to strengthen the socialist ideology" which has been promoted in the past. The real situation is that even skepticism regarding socialism is appearing within the Soviet Union. Therefore the Moscow government at this time does not want to implant a specific ideology towards North Korea. Because of this, a great difference in the ideological system is being shown between the Soviet Union and North Korea.

In addition, the Soviet Union has moved away from its existing position regarding the ROK and is looking at the ROK positively and in a friendly way. A series of measures—a rational diplomatic policy; measures to democratize the ROK; economic growth which is worthy of close attention; and economic support for the Soviet Union—by the ROK is receiving a favorable impression from the Soviet Union. This kind of favorable impression made the Soviet Union take steps to carry out a new role towards the ROK.

No one had ever thought that the Soviet Union, which is a suzerain state of socialism, would recognize the ROK and maintain cooperative relations. Koreans no longer have to worry about the aggressiveness of the Soviet Union.

The new fundamental policy towards the ROK by the Soviet Union is based on developing "neighboring relations" between the two countries. It is also to newly create the international environment surrounding the Korean peninsula through mutual cooperation and improvement of relations with the United States, China, and Japan. In the long run, in order to somewhat restrain Japan's political ambition, the Soviet Union hopes that a reunified Korea can emerge.

China is still supporting North Korea and is maintaining mutual cooperation, but in the near future China will strongly urge Seoul and Pyongyang to develop friendly relations. Regarding the Korean peninsula situation, important changes are taking place in U.S. policy. The Washington authorities are not charmed by North Korea but it will no longer drive North Korea into a corner. The United States basically thinks that it is important to maintain dialogue with North Korea. The United States is also worried about the great adverse effects it will have on the ROK if it is not prepared sufficiently when reunification is achieved.

When piecing together all the facts that were mentioned, we can reach the following conclusion. Outside environment surrounding the Korean peninsula is currently promoting the reconciliation of the South and North, and the atmosphere of detente among the big powers will be applied to Seoul and Pyongyang as well. The world hopes that the two countries existing on the Korean peninsula will approach each other more closely and in a more friendly way. National sentiment or economic necessity that exist between the South and North are also elements that can accelerate a mutual approach between Seoul and Pyongyang. Therefore, I believe that the prospects for the future of South-North relations is very optimistic but realizing early reunification will be difficult for the time being. Since South and North Korea each maintained very different ideological, political, and economic systems for the past 40 years, there will be difficulties in reaching an agreement. In order to achieve reunification North Korea must first of all carry out changes internally and changes in its economic and ideological system including the guarantee of the individual's freedom. Freedom must also be all the more guaranteed in South Korea and democracy must be firmly established. Especially the definition of distribution which is a socialist element must be realized in the economy.

When preparations for reunification is carried out step by step, reunification will be achieved smoothly and it will be less of a shock to the Koreans. However, if one side hopes that the other side's system collapses then a desirable reunification cannot be achieved. Approach to reunification must be carried out with time, patience, and in a careful way.

Soviets Asked To Explain Flight Data Recorders

SK1408062491 Seoul YONHAP in English 0556 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (OANA-YONHAP)—The South Korean Government reiterated Wednesday its request that the Soviet Union explain reports that it recovered flight data recorders from the 1983 Soviet downing of a South Korean passenger aircraft.

Kwon Yong-min, director-general of the Foreign Ministry's European Affairs Bureau, called in Loengrim Yeremenko, minister at the Soviet embassy, and asked Soviet explanation on recent reports from Japan's YOMIURI SHIMBUM.

The Japanese daily reported Monday the Soviet Union recovered two black boxes from the Korean air passenger plane shot down by a Soviet fighter off Sakhalin on Sept. 1, 1983.

In response to Korea's earlier demand for an explanation, the Soviet Foreign Ministry said Tuesday it could not confirm YOMIURI's report that a Soviet salvage team retrieved the flight data recorders from KAL flight 007.

The shooting killed all 269 people aboard. Moscow had insisted that the South Korean airliner was on a spying mission.

"We stressed that the YOMIURI report opens new, serious questions about the incident and that the controversy still remains a major stumbling block to further improving bilateral relations," Kwon said after a 30-minute meeting.

Yeremenko said he will ask Moscow to look into the recent reports and relay any new information.

Kwon also asked full Soviet cooperation for the memorial service for the victims planned Sept. 1 near the island of Os Moneron.

An advance team left for Sakhalin Tuesday to make preparations.

Hong Hyon-mo, chairman of the association of bereaved families, is expected to meet with officials and divers who participated in salvaging the plane wreckage while in Sakhalin.

Mining Consortium Formed for USSR

SK1408102791 Seoul YONHAP in English 0956 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—Five South Korean firms will form a consortium in their bid to develop a tin mine in Prouvourmi in eastern Soviet Union under a 50-50 joint venture with their Soviet partners, an official at the Energy and Resources Ministry said Wednesday.

Of the Korean stake of the project, the Hyundai business group will have 51 percent and Samsung group, Daewoo group, Samwhan Corp. and Dongbu Industrial Co. will share the rest, the official said.

The firms are expected to set up a consultative body soon to discuss details of the project, he said.

Meanwhile, the Ministry will send a team of technicians from the Lucky-Goldstar group and Korea Mining Promotion Corp. in September in preparation for the planned development of a copper mine in Udakan in eastern Siberia, he added.

Education Minister To Visit USSR 17 Aug

SK1408085791 Seoul YONHAP in English 0826 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (OANA-YONHAP)—South Korean Education Minister Yun Hyong-Sop will make an official visit to the Soviet Union at the invitation of his Soviet counterpart Yagodin Gennadiy Alekseyvich from Aug. 17-26, the Ministry spokesman said Wednesday.

Yun is to sign a memorandum of understanding on bilateral academic exchanges and correction of the distorted contents in textbooks of the two countries. He will also take part in the opening ceremony of the Korean Education Institute set up in Alma Ata City of Kazakh Republic on Aug. 22, the spokesman said.

Minister Yun plans to give special lectures at Moscow State and Leningrad Universities and discuss with faculties of the two schools ways to support their research in the Korean studies, he said.

PRC Stance on Nonproliferation Treaty Welcomed

SK1408012191 Seoul YONHAP in English 0035 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (OANA-YONHAP)—South Korea on Wednesday welcomed China's decision to sign the nuclear Non-Proliferation Treaty (NPT), hoping that it will enhance universality of the treaty.

"As a state party to the treaty on the non-proliferation of nuclear weapons, the government of the Republic of Korea, always supportive of the universal adherence to the treaty by all states of the world including nuclear-weapon states, welcomes the expressed intention of the

People's Republic of China to join the NPT, following the example of France," a statement by the Foreign Ministry spokesman said.

Chinese Premier Li Peng said Aug. 10 in a meeting with Japanese Prime Minister Toshiki Kaifu that China is planning to sign the NPT.

"The Korean Government expects that the accession of the NPT by China, one of the five nuclear-weapon states, will further enhance the universality of the treaty and strengthen the effectiveness of the non-proliferation regime," the statement said.

Government Allows Passenger Sea Route to PRC

SK1408102191 Seoul YONHAP in English 0934 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—The South Korean Government approved Wednesday a plan to open direct passenger transport service on the sea route between Inchon and Tianjin of China next month, in addition to the existing Inchon-Weihai passenger line.

The government gave the green light to another plan to inaugurate a direct shipping route between Pusan and Shanghai of China in October. Currently, the two countries maintain a cargo shipping route between Inchon and three Chinese ports—Tianjin, Dalian and Qingdao.

It also endorsed an idea of constructing an industrial complex in China exclusively for Korean firms.

The approvals were finalized at a working-level meeting of the Committee for Northern Economic Policy, chaired by Vice Economic Planning Minister Kang Hyon-wuk.

The Inchon-Tianjin passenger service is to be handled by a 50-50 joint venture between Cosmo Tiger Corp. of Korea and Tianjin Marine Shipping Co. of China. A 500-seat capacity car ferry will make six journeys a month.

The Pusan-Shanghai cargo service will be operated by a 50-50 joint venture between Chunkyong Shipping Co. of Korea and Sinotrans Co. of China. A 3,000-ton freighter will leave Pusan three times a month.

The committeemen also agreed that having a Korean industrial complex in China would not only boost investments in China by small-and medium-sized businesses but also contribute to improvement relations between Seoul and Beijing.

State-run Korea Land Development Corp. made two rounds of local surveys in Tianjin, Qingdao, Qinhuangdao and Shanghai to pick up a suitable site for the complex.

Agreement Signed With Japan on Rice Markets

SK1408013291 Seoul YONHAP in English 0109 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—South Korea and Japan, under growing pressure to open their domestic rice markets, agreed on Tuesday to jointly cope with the issue, when Uruguay Round multilateral negotiations resume in September, officials at the Economic Planning Board (EPB) said.

The agreement was made when Korean Deputy Prime Minister-EPB Minister Choe Kak-kyu met with Michio Ochi, Japanese economic planning minister.

At the meeting, Choe sounded out Japan's position on the rice market issue in connection with the coming Uruguay Round negotiations, and Ochi said it should be handled from the stand-point of food security and, in that point, there was necessity for the two countries to jointly cope with it, the officials said.

Choe also expressed concern about the chronic and escalating deficit in Korea's trade with Japan.

Ochi offered personnel exchanges between the two nation's economic planning ministries, and expressed interest in the operations of Japanese general trading companies in Korea.

New Consul-General Named for Karachi Consulate

SK1408023591 Seoul YONHAP in English 0137 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—Pak Kwan-wun, senior research officer at the Institute of Foreign Affairs and National Security (IFANS), was named consul-general to Karachi, Pakistan.

Pak, 55, replaces Cho Kyu-tae who will join IFANS.

The new consul-general, a graduate of Seoul National University, served in Indonesia, Jamaica, Greece, Swaziland and Trinidad and Tobago before being assigned to IFANS in October 1989.

Company Signs Agreement With Thai Firm

SK1408002891 Seoul YONHAP in English 0006 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—Daelim Engineering Co. of South Korea initialed a 500 million-U.S.-dollar contract Friday with Thailand's Thaiolefin Co. to build a petrochemical plant in Rayon, South Thailand, the company said Wednesday.

The factory will have an annual production capacity of 350,000 tons of ethylene and 190,000 tons of propylene, when it is dedicated by mid-1994, the company said

Daelim won three rounds of the international bidding in consortium with Stone & Webster Co. of United States and Japan's Sumitomo Company, it said.

Formation of New Political Party 'Rumored'

SK1408025591 Seoul THE KOREA TIMES in English 14 Aug 91 p 2

[Text] Former senior politicians and opinion leaders are rumored to be either setting up a party or forming a group to press for an opposition merger prior to general elections early next year.

Former assemblymen Kim Ok-son, Yim Chong-ki and Yu Kap-chong are leading the effort and former vice National Assembly speaker Ko hung-mun is initiating the negotiations, according to political sources.

They reportedly disagree on whether to work for a merger of the opposition and join the resulting party, or to create an entirely new party themselves.

Some of them are concerned a new opposition party would only deepen the rift between the current opposition parties, but others want an independent organization, the sources say.

The group is also said to include Kim Tong-kil, a well-known professor at Yonsei Unviersity, who quit the school months ago, but So Yong-hun, former president of the Korean Broadcasting System (KBS), yesterday denied that he was part of the group. He said he had "no intention whatsoever" of participating in politics.

Kim Ok-son met with a former professor on Monday afternoon and they most likely discussed creating a new party, sources said.

The move comes as the ruling and opposition parties gear up for National Assembly and presidential elections.

Calls are getting louder for a merger to guartantee victory in the elections. Kim Tae-chung's main opposition New Democratic Party came under pressure to merge and reorganize after a devastating defeat in local elections in March and June.

No Gives Plans for Agriculture, Fish Development

SK1408034791 Seoul YONHAP in English 0253 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—President No Tae-u said Wednesday the government would pour 42 trillion won (58.33 billion U.S. dollars) over the next 10 years beginning next year to pursue an all-out, comprehensive development of the agriculture and fisheries industry.

No made the remarks in a speech marking the 30th anniversary of the founding of the National Agricultural Cooperative Federation (NACF).

"We must nurture our agricultural industry into one with competitiveness through a restructuring of the industry," said the president in the celebrations held at the gymnastics stadium in the Olympic Park.

Korea will have to directly negotiate with those nations urging it to open domestic agricultural market, unless the Uruguay Round negotiations settled, No told farmers attending the gathering. If that happen, it would be heavier burden to farmers and the economy, he said.

The settlement of Uruguay Round negotiations would not necessarily lead to immediate importation of all foreign agricultural products, No said, adding the nation should do its utmost to bolster agricultural competitiveness in international market. To that end, he said, the nation should pursue mechanized farming and technical renovation in agriculture.

No also stressed emphasis on improvement of distribution system of agricultural products and of farmers' residential environment including medical care, housing and education.

Government Expresses Interest in UN Mining Zone

SK1408024991 Seoul YONHAP in English 0214 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—The government decided to positively participate in the development of the Clarion-Clipperton [CC] mining zone of the Pacific Ocean to be carried out under the auspices of the United Nations with the U.N. Law of the Sea taking effect in 1993.

In a meeting chaired by Prime Minister Chong Won-sik Tuesday, economic ministers decided to work out concrete steps to push for the plan.

The economic ministers decided to get National Assembly's ratification of the U.N. law by the end of this year and enact relevant laws to support the plan.

The participants also decided to review with a view to strengthing policies regarding marine policies.

The economic ministers shared the view that it was necessary to set up a ministry for marine affairs in order to work out and implement comprehensive steps for marine development.

They decided to form a panel composed of senior officials of relevant ministries to work out marine policies.

Fierce competition is expected for marine development on the seas off the coasts and on the continental shelf after the law takes effect, a government official said.

South Korea has not ratified the law of the sea. The government plans to get the parliamentary ratification of the law by the end of this year.

A total of 47 countries have completed their domestic procedures to ratify the U.N. law and the number is expected to surpass 60 by the end of next year, the official said.

Meanwhile, the Clarion-Clipperton mining zone, located about 120 kilometers southeast of Hawaii, has an estimated deposits of 54 billion tons of mineral resources, including manganese, cobalt, zinc and nickel.

The Korean Government plans to invest 34 million U.S. dollars to develop 300,000 square km of the 1 million square km zone designated by the U.N. by the international law of sea in 1982.

At present, 11 countries have applied to the united nations to participate in the development of the CC mining zone. They include the United States, Japan, the Soviet Union, Italy, France and Belgium.

Nuclear Reactor in Ulchin To Undergo Repairs

SK1408083691 Seoul YONHAP in English 0735 GMT 14 Aug 91

[Text] Seoul, Aug. 14 (YONHAP)—The No. 1 nuclear reactor of the Ulchin power station will be suspended between 10 P.M. Wednesday [14 August] and midnight Sunday [18 August] to stop steam leaking out of a manhole cover in the facility.

The Energy and Resources Ministry said Wednesday cover gaskets would be changed during the 98 hours to halt the leakage close to the turbine system.

Despite the repairs, no supply shortage will take place this week because daily electricity supply will sustain 19.7 million kilowatts, enough to meet the demand, a Ministry official said.

The plant is expected to return to normal supply of 950,000 kilowatts by 6 A.M. Aug. 20.

The Ministry forecast utility demand will reach the year's record of 19 million kilowatts Wednesday with a reserve rate of 9.6 percent.

Economists Differ in Perception of Trade Deficit

SK1408020791 Seoul THE KOREA HERALD in English 14 Aug 91 p 6

[From the "News Analysis" column by staff reporter Choe Song-chin]

[Text] With the nation's trade deficit snow-balling to $8 billion this year, a sense of crisis is showing among government and ruling party economists.

The two major groups of Korea's economic planners, however, seem to have somewhat different views both on the degree of seriousness of the present situation and on measures for remedy.

Government officials, on the one hand, said that deep analysis of the trade loss structure reveals that the situation is not as bad as it looks, and therefore any hasty, makeshift steps will only harm the economy in the long-term.

Economic experts of the ruling Democratic Liberal Party, on the other hand, argue that the trade loss is a result of the nation's various structural problems which require an across-the-board surgical operation.

Officials at the Ministry of Trade and Industry [MTI] say that several "evil factors" conspired to raise the deficit in the first seven months of this year to $8.1 billion.

They cited the sharp oil bill rise of $1.65 billion from a year ago owing to the Gulf war in the first half of this year, and the overheated construction boom which catapulted the rise in importation of building materials and equipment by $880 million.

The widespread factory automation boom among labor cost-conscious local manufacturers pushed up machinery imports by $1.43 billion, and the purchase of passenger aircraft to meet the soaring overseas travel demand added another $690 million to imports. Korean travelers' spending sprees abroad triggered another deficit of $132.8 million in July alone.

The government's pledge to curb price increases to a single-digit has also caused the influx of foreign farm and fishery products to stabilize domestic prices, they said.

The inclusion of defense-related accounts into the overall trade account, at the request of the United States, also swelled the total deficit by an additional $1.2 billion, they said.

A high-ranking MTI official said, "As long as the trade deficit remains within 5 percent of the nation's total trade ($155 billion this year), it will cause few problems in the government's overall economic management."

He admitted that industrial output and overseas shipments have notably dropped in August due to vacations at many factories but said the trade balance will start to improve from September to curb the deficit at $8 billion at the end of the year. The ministry originally projected the trade loss for all of 1991 at $6 billion and later revised it to $8 billion.

In short, the government officials, although alarmed by the accelerating trade loss, do not seem to regard it as a total crisis.

Some premature remedial steps, including a monetary squeeze, may cause a plunge in stock prices or a dollar buying spree on the foreign currency market, as latest business occurrings have shown, he said.

To curb the government's monetary supply from 19 percent to 17 percent is also impossible, considering the expected cash demand from businesses in the latter half of the year.

Foreign exchange rate manipulation aimed at increasing exports is no longer within government power, he said.

Any hasty devaluation of the won will only destabilize commodity prices and the overall economic state.

Exports have in fact been quite strong this year, but much higher imports have eclipsed export gains, therefore the government will implement policies in ways to strengthen the country's overall industrial competitiveness in the long term, he said.

If the import surge continues unchecked, however, it is expected to swell the nation's foreign debt, says the official who said the matter should be solved by controlling total demand such as through cutting expansionary budget.

The ruling party economists, who cannot help being acutely conscious of next year's general elections, regard the present deficit as a definite crisis, adversely affecting the economic "report card" of the 6th Republic.

They will then be forced to artificially "manage" the international balance of payments, and in turn, will urge the government officials to follow the path, analysts said.

The experts, pointing out that the present deficit has stemmed from mismanagement of surplus in the economic boom years of 1987-89, say that the remedical steps should also be taken in the long-term perspective to strengthen overall competitiveness.

Brunei, Malaysia & Singapore

Malaysia

Embassy Denies Shells Came From Singapore

BK1008154291 Kuala Lumpur Radio Malaysia Network in Malay 1430 GMT 10 Aug 91

[Text] The Singapore Government has once again denied that two explosions near Kampung Pendas Laut, Gelang Patah in Johor on 28 July originated from the republic. In a statement clarifying the matter, the Singapore High Commission in Kuala Lumpur said it will produce facts given by the Singapore Ministry of Defense, which will prove that the explosions did not originate from Singapore. The high commission said an investigation by the Singapore Ministry of Defense showed that the two explosions took place after Singapore's 22d Artillery Battalion completed firing live mortars at a targeted 28 square kilometer-site at Pasir Laba on 28 July.

Government To Continue Explosions Investigations

BK1108141691 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 11 Aug 91

[Text] Malaysia will continue to investigate the explosions which occurred in the waters off Kampung Pendas Laut at Gelang Patah in Johor on 28 July.

Foreign MInister Datuk Abdullah Ahmad Badawi said this today. Further investigations are to be carried out to determine the source of the explosions, he told reporters at Kuala Lumpur International Airport on his return from Istanbul. He attended the 20th Organization of Islamic Conference foreign ministers meeting there.

Datuk Abdullah was responding to the Singapore Defense Ministry's explanation yesterday that it was not responsible for the two explosions which occured within 15 minutes after its 22d Artillery Battalion mortar live firing exercise in the Pasir Rabah area ended at 4:00 PM [0800 GMT].

Mahathir Denies 'Bad Intention Toward Singapore'

BK1208070691 Kuala Lumpur Voice of Malaysia in English 0600 GMT 12 Aug 91

[Excerpt] Datuk Sri Dr. Mahathir Mohamed says Malaysia does not have any bad intention toward Singapore in holding the Malaysia-Indonesia military exercise, Malindo Darsasa. The prime minister says the exercise had been planned for a long time and the fact that it was being held at a time the republic was busy preparing to celebrate its National Day was a coincidence. He told newsmen in Port Kelang that Singapore should not be suspicious because Malaysia does not have bad intention. He was commenting on Singapore's concern over the exercise, which was expressed to a newspaper over the past few days. [passage omitted]

Government Welcomes UN Inclusion of Both Koreas

BK1008053591 Kuala Lumpur BERNAMA in English 0325 GMT 10 Aug 91

[Text] Kuala Lumpur, Aug 10 (OANA-BERNAMA)—The United Nations' acceptance of South and North Koreas as its members has helped solved the problem of recognition faced by the two countries, Malaysian Prime Minister Dr. Mahathir Mohamed said.

He told newsmen that Malaysia welcomed the inclusion of the two countries in the world organisation.

The development posed no problems for Malaysia which already had diplomatic relations with the two Koreas, he said.

He said the problems with recognition arose because both countries claimed that they representated the other.

The U.N. Security Council has recommended that rivals South and North Korea be admitted to the UN next month.

The council's recommendation still requires approval by two-thirds of the 159-member U.N. General Assembly, but the procedure is regarded as a formality.

Minister Badawi Returns, Discusses Economics

BK1108064991 Kuala Lumpur Voice of Malaysia in English 0600 GMT 11 Aug 91

[Text] The just concluded 20th Organization of Islamic Conference [ICO] Foreign Ministers' meeting in Istanbul have endorsed a Malaysian proposal for economic cooperation among Islamic countries. Foreign Minister Datuk Abdullah Ahmad Badawi said this today. The proposal was strongly backed by Turkey.

A committee at foreign minister level had been formed to prepare a paper on the economic cooperation. Malaysia, Saudi Arabia, Kuwait and Syria are among the 10 countries in the committee. Speaking to reporters at the Kuala Lumpur International Airport on his return from the five-day meeting which ended on Thursday, Datuk Abdullah said a paper would be presented to OIC [as heard] summit in Senegal in December. Datuk Abdullah had told the meeting that although economic cooperation among Islamic countries was enshrined in the OIC charter, little progress had been made.

The meeting also discussed recent developments in West Asia—particularly the Gulf War and the peace initiatives in the region. The meeting felt efforts to bring Isreal and related parties to the negotiating table should include the Palestine Liberation Organization. Datuk Abdullah said all countries attending the meeting condemned the Gulf War and the Iraqi invasion of Kuwait.

Mahathir Accuses West of Economic 'Sabotage'

BK1208091191 Kuala Lumpur BERNAMA in English 0822 GMT 12 Aug 91

[Text] Kuala Lumpur, Aug 12 (OANA-BERNAMA)—Big powers like the European and American countries are now using non-governmental organisations to recolonise developing nations, Prime Minister Dr. Mahathir Mohamed said Monday. He said groups like the Greens had emerged in the 80's using various tactics not merely to protect the environment but also to colonise.

"They try to sabotage the stability of developing nations, including through instigation and breaking laws of target countries which are a threat to their economies," he said when opening the Malaysian heads of mission meeting and Institute of Diplomacy and Foreign Relations here.

Dr. Mahathir said these organizations had used groups within the country to check its economic growth, particularly exports that could compete with goods from their countries. These non-governmental organizations were actually playing the role of protecting the developed nations' economic interests, he said.

He added: "Restrictions based on the environment, human rights, democracy, and other matters previously not connected with trade are now being raised."

"At the same time, European and American nations which lost their political power following the end of their empires are trying to use economic clout to revive their colonies."

The prime minister directed Malaysian missions abroad to concentrate on economic matters, especially trade because the limited domestic market had made foreign trade necessary for rapid economic growth. He also called on Malaysian missions to intensify efforts to explain the aims of the proposed East Asia Economic Group (EAEG) so that it would receive international backing.

It looked like the well-intentioned and harmless Malaysian idea was disliked by certain powers because of their geopolitical interests, he said. He said while formal organisations like ASEAN could not be arbitrarily expanded, the concept of good neighours on an informal basis could still be worked on.

Stressing that the EAEG was aimed at defending the global free trade system, he said Malaysia proposed the EAEG because it believed the group could help neighbouring countries in East Asia to progress.

Mahathir Reminds Citizens of Responsibility

BK1308064091 Kuala Lumpur Voice of Malaysia in English 0600 GMT 13 Aug 91

[Excerpt] Datuk Sri Dr. Mahathir has reminded the people that their citizenship rights must be repaid with loyalty and responsibility to the country. The prime minister said there is nothing free in this world. He pointed out that there were people so engrossed with Western values until they thought no loyalty was needed for citizenship. These peoples are prepared to be used by foreigners with undesirable motives to discredit Malaysia. They have also received money from foreigners to sabotage their own country.

Datuk Sri Dr. Mahathir made the remark when launching the high-quality identity card at the National Registration Department in Petaling Jaya today. The department began a massive nationwide exercise today to get all persons registered or eligible to be registered under the National Registration Regulation 1990 to obtain new identity cards. [passage omitted]

PRC Proposes Signing Accord on Technology

BK1408070891 Kuala Lumpur Voice of Malaysia in English 0600 GMT 14 Aug 91

[Text] China has suggested signing a memorandum of understanding with Malaysia to facilitate bilateral transfer of technology. The minister of science, technology, and environment, Low Hieng Ding, said the ministry had agreed in principle to the suggestion which was made by a delegation from the Chinese Science and Technology Commission which called on him in Kuala Lumpur. The delegation was led by its director general of the Department of International Cooperation, Mr. (Pan Baodan).

Mr. Low said officials of the ministry and the commission would discuss details of the memorandum. Exchange of scientists, joint research, and transfer of technology would be possible if the memorandum materialized. He said his ministry would submit the suggestion to the cabinet for a decision.

Singapore

Indian Foreign Minister Calls on Goh Chok Tong

BK1208121491 Singapore Singapore Broadcasting Corporation in English 1100 GMT 12 Aug 91

[Text] India's external affairs minister, Mr. Madhavsinh Solanki, today called on the prime minister, Mr. Goh Chok Tong, at the istana [palace]. He later met his Singapore counterpart, Mr. Wong Kan Seng, at the Foreign Ministry. Mr. Madhavsinh Solanki is here on a private visit.

Opposition Leader Criticizes Early Elections

BK1308011991 Hong Kong AFP in English 0120 GMT 13 Aug 91

[By R.V. Lingam]

[Text] Singapore, Aug 13 (AFP)—Former opposition MP [member of parliment] Ben Jeyaretnam has predicted Singapore's next general election will be held long before the government's current term expires in 1993 to prevent him from contesting the polls.

Jeyaretnam, speaking at his Workers Party (WP) national day rally over the weekend, said that the general election would be held probably this September or at the latest on November 2—just eight days before his five-year disqualification from parliament ends.

The current five-year term of the governments expires on September 2, 1993.

The WP leader, who became Singapore's first opposition MP in 15 years when he won a by-election in 1981, lost his seat in parliament on November 11, 1986, when he was convicted on charges of relating to irregular party funding.

Under the Singapore constitution an MP automatically loses his seat and is disqualified for five years if he is fined more than 1,200 U.S. dollars or is sentenced to more than a year in jail.

Jeyaretnam, a 65-year-old lawyer, was first fined 230 dollars and jailed for three months by a lower court, which did not disqualify him from parliament. His subsequent appeal to the high court against the conviction resulted in his disqualification.

The high court boosted the fine to 1,200 dollars and reduced the jail sentence to one month. As a result of the criminal conviction, Jeya was also struck off the roll of solicitors.

The WP leader told the rally that the government was afraid to have him in parliament again and was resorting to unfair means to keep him out.

He pointed out that the privy council in London, to which he appealed against being struck off, found that he had been wrongly convicted and ordered him to be reinstated as a lawyer.

The privy council, at that time Singapore's highest court of appeal, pointed out that it could not "right the wrongs" by overturning the wrongful conviction as it had no jurisdiction. But it did recommend a presidential pardon, which was rejected.

The WP leader accused Prime Minister Goh Chok Tong, of being "dishonest" in claiming that he wanted to hold an early general election to "seek a fresh mandate from the people" to hide the fact that it was calculated to "keep him out of the polls."

"Goh had a mandate at the September 1988 general election and there is no reason to go back to the people now. Former Prime Minister Lee Kuan Yew told the nation that the younger leaders under Goh were in charge of the last elections.

"So what mandate is Goh seeking?" Jeyaretnam asked the crowd.

Describing Goh's position as prime minister, Jeyaretnam said it was a "a big lie and a big laugh."

"Everybody knows Goh has no power. It is Lee Kuan Yew who is still running the government. I can only pity Goh," Jeyaretnam remarked before challenging the government to hold elections after November 10 when he would be eligible.

The WP leader added that whatever tricks the government resorted to his party would take on the challenge and would not stay away from the polls.

Pointing out that there was a 12 percent swing against the government in the 1984 election and a further 1.5 percent swing in the 1988 polls, Jeyaretnam predicted that more opposition candidates would be voted in this time.

In the 1988 election the ruling People Action Party (PAP) won 80 of the 81 seats.

Speculation is now rife in Singapore that a general election is imminent and the announcement of new electoral boundaries and changes in constituencies last week have given further weight to suspicions of a snap poll.

Goh Chok Tong's 8 Aug National Day Speech

BK1308101491 Singapore THE STRAITS TIMES in English 9 Aug 91 p 32

["Full Text" of speech by Prime Minister Goh Chok Tong on National Day on 8 August]

[Text] The economy has continued to grow steadily. For the first half of the year, growth was 7.3 per cent. For 1991 as a whole, we are on target to achieve MTI's [Ministry of Trade and Industry's] projection of 6 per cent to 8 per cent.

The international outlook over the next five years is uncertain, but overall, cautiously optimistic. Major changes are underway. The Soviet Union is in crisis. The eventual outcome and repercussions of this upheaval are still unforeseeable. But perestroyka and the collapse of communism have already fundamentally altered superpower relationships, and produced a less tense security environment.

They have demonstrated beyond doubt that when a system goes against human nature of working to incentives, and for the benefit of loved ones, and what is worse, holds back the able and enterprising, it will fail.

The allied victory in the Gulf War in March, and the continuing resolute UN action to disarm Iraq's nuclear capabilities, have strengthened the international rule of law and made the world safe for small states like Singapore.

In the GATT Uruguay Round negotiations, continuing deadlock will fuel the tendency toward protectionism and regional economic blocs in Europe and America. Unless the impasse is resolved, Singapore wil be vulnerable, as we depend so heavily on free trade for our livelihood.

In Indochina, the Cambodian conflict is entering its final stages. Its conclusion will remove one major source of tension and instability in our region. It will open the possibility of fruitful economic cooperation between ASEAN and Indochina.

Against the backdrop of these major changes, ASEAN will have to find new areas of cooperation and to strengthen the economic ties among members. Singaproe has a vested interest in ASEAN's viability. In January next year, ASEAN will be holding its Fourth Summit Meeting in Singapore. We should do all that we can to make it a success.

ASEAN leaders will have to work out a strategy in a world dominated economically by two big regional econmic grous, (1) the EC after 1992, and (2) the U.S.-Canada-Mexico Free Trade Area.

We must be conscious of these external events. They will affect the way we run the Next Lap.

I want to build on the track record of our first 26 years of nationhood, and sustain the economic development and social progress which we are capable of. In particular, I want to strengthen the bond between Singaporeans. For if we are not united in our hearts, we cannot make progress.

Incomes, home ownership, or health standards, progress has been dramatic. [sentence as published]

We have the highest home ownership rate in the world. Our infant mortality rate is the third lowest, only after Japan and Sweden.

Ours are the problems of affluence—obesity, controlling the number of cars, and meeting the aspirations of a population accustomed to rapid progress and high standards.

All social groups have shared in this success and seen their lives improve. All ethnic groups have done well, although gaps in performance remain.

We need the help of Malay and Indian community leaders, to raise the educational performance of many Malay and Indian students, especially in mathematics and science. Organisations like Mendaki [Malay Community Association] and Sinda [Singapore Indian Development Association] are making fresh effors to tackle their problems, with support from the Government.

This is the most promising sign—the communities recognise the fundamental importance of education, and individuals who have done well are coming forward to help the less fortunate members of their own community.

Among the Chinese too, the Government encourages community groups like clan associations and the chamber of commerce to take the lead to help those who have fallen behind, perhaps by forming a Chinese Development Assistance Association. Through such community effort, every family which needs help is helped, whatever his race.

We must systematically develop our human resources to the limit. The improvements which we are making to our primary and secondary schools will give every child 10 years of general education before he goes for further training or takes up employment.

To enable every Singaporean to be developed to his fullest potential, we are increasing NUS [National University of Singapore] and NTU [Expansion unknown] intakes, building a fourth polytechnic, and upgrading the VITB [Vocational and Industrial Training Board] into an Institute of Technical Education.

We are also encouraging continuing education for workers through part-time courses and an Open University. The Edusave scheme will come into operation next year. I hope you will make full use of these opportunities to upgrade knowledge and skills for a better future.

Next, I want to ensure that Singaporeans can afford health care costs. Demand for better health care will go up. So will costs because every year salaries of doctors, nurses and hospital staff will go up together with your salaries after NWC [National Wage Council] recommendations.

Medisave has helped but I know that many of you are still worried. To help those with not enough Medisave, we will set up a Medical Endowment Fund, or Medifund. The earnings from this Fund will help those who have not enough Medisave funds.

All Singaporeans should always have access to good standards of medical care, one Singapore can afford. To build up medifund, we must make 5 per cent to 7 per cent growth per year in the 1991's.

Beyond these particular issues of developing human resources and setting up Medifund, my main objective has been people bonding—involving Singaporeans in discussing major long-term issues, forging national consensus and bonding us together as Singaporeans.

I understand the desire of many Singaporeans for greater leeway for expressing alternative views and for more tolerance of differing viewpoints. I encourage Singaporeans to participate freely in exchanging views. But remember, such open discussions should draw us closer together, not divide us. They should be conducted responsibly and sensitively.

One of Singapore's major strengths has been the unity and cohesion of our society. The government speaks for the population, and the population supports the government. Workers, employers and government share a common objective—national well-being through economic progress. We all belong to one nation, one Singapore.

We must preserve this cohesion, but we cannot achieve it at the price of imposing uniformity and mediocrity. We must go for excellence, as individuals, as a team, and as a nation. This means equal opportunities for all, but not equal outcomes because performance is never equal. Rewards must correspond to contribution, otherwise we shall be stuck with low productivity as in communist countries.

We should never hold back our outstanding and successful. Instead we should encourage them to contribute their best for everyone's benefit. We must progress by levelling up. To level down is to stagnate.

At the same time, the able must help the less able, because without the rest, the able could not have achieved what they did. The more you have gained from society, the greater your obligation to give something in return.

Besides income tax, you can give to charity. You can volunteer to do social work. You can spend time as a town councillor or serve residents on CCCs [Community Consultative Committees] and RCs [Residents Committees], or in other private voluntary organisations. Or you can serve as a Member of Parliament, and use your ability for national good, and not just concentrate on pursuing your individual career.

Successful Singaporeans need to show a strong social conscience, and care for more than their immediate family and comforts. Then all Singaporeans will be better motivated to uphold the system of meritocracy, which has enabled all Singaporeans to progress, though at different rates. In the communist countries, where the best are held back, everyone languishes.

Singaporeans should not regard themselves as just colleagues who happen to be working in the same firm. We should try to become an extended family. All of us, whether well-off or less well-to-do, are Singaporeans together. Let us help one another to run and complete the Next Lap together.

Cambodia

Hor Namhong Remarks on SNC 'Concessions'

BK1408072991 Phnom Penh SPK in French 0405 GMT 14 Aug 91

[Text] Phnom Penh 14 Aug (SPK)—The State of Cambodia's foreign minister, Hor Namhong, has said that the next Supreme National Council [SNC] meeting in Phatthaya, Thailand, will be decisive to a settlement of the Cambodian problem, adding that the SNC delegation from the State of Cambodia is prepared to make concessions on the remaining issues.

In an interview granted to a correspondent of the Japanese newspaper YOMIURI SHIMBUN in Phnom Penh on Monday, 12 August, the head of Cambodian diplomacy called for flexibility from the other side so that a political solution can be reached.

The minister rejected the report that Phnom Penh would accept dismantlement of 70 percent of its armed forces. He recalled the State of Cambodia's stance that proposes freezing present levels of troops and armaments, under the supervision of the United Nations, and emphasized that this would be a factor to guarantee security during general elections and that a new elected government would decide the future of the Cambodian army.

As the Big Five [the five permanent members of the UN Security Council] and the cochairmen of the Paris International Conference on Cambodia have specified, he added, the SNC is the unique legitimate embodiment of Cambodia's sovereignty. The election of a new government, in conformity with international standards and the UN Charter concerns only the Cambodians, he emphasized. Henceforth, the SNC is operative, he said; and it is necessary to let the council settle every issue regarding Cambodia's sovereignty.

He added: "If the SNC does not reach a consensus, we should resort to the voting process, then the question will be decided by the majority, meaning three-quarters of the SNC members."

On the issue of UN supervision of the five ministries, Hor Namhong stressed that the supervision will be enforced only on anything that deals with the elections, but not on the activities of those ministries.

On the question of private property, he said that it will be impossible to review the issue because it is a very dangerous problem for Cambodian society. "The current concrete situation has nothing to do with what we do or do not want. It is the legacy bequeathed by the Polpotists, and we should acknowledge this in all circumstances," Minister Hor Namhong concluded.

Editorial Hails National Assembly Meeting

BK1408055991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 13 Aug 91

[Station editorial: "A Warm Welcome to the 21st Plenary Session of the First National Assembly"]

[Text] In an atmosphere in which all forces throughout the entire country have been and are being mobilized in great national unity around the Kampuchean People's Revolutionary Party [KPRP] for carrying out national defense and construction tasks, thus establishing a superior position in all military, political, economic, and diplomatic spearheads, and in which the entire country is acclaiming the resolution of the just-concluded 13th session of the KPRP Central Committee, the State of Cambodia's [SOC] First National Assembly, which is the top body of the SOC's state power and leading representative of the Cambodian people, will solemnly convene its 21st plenary session.

This First National Assembly's 21st plenary session certainly constitutes a close link to our country's general situation and to the sacred aspiration and interests of our people, who are passing through a new phase of historic significance in their resolute struggle to defend national independence and sovereignty and prevent the return of the past danger, working hard to find all effective formulas and measures aimed at quickly ending the war on the basis of realistic views that uphold the vital interests of the Cambodian people, national independence, and the right to self-determination of the Cambodian people, on the basis of respect for the UN Charter and international law on human rights as a means to ensure correctness, fairness, and impartiality in the political solution.

For this reason this National Assembly session will listen to reports on the general tasks carried out during the first half of this year by the State Council, Council of Ministers, People's Supreme Court, and Public Prosecutor's Department, and examine the activities of the four National Assembly commissions during the period between the 20th and 21st sessions.

Prompted by an in-depth search into the strong and weak points of the past work, the National Assembly is duty-bound to direct all aspects of activities and tasks for the second half of 1991 and the years to come.

We would like to express our warm welcome to the First National Assembly's 21st ordinary session and our firm conviction that our National Assembly will strive to exercise all its rights in line with the Constitution in order to enhance our state's legitimacy and to concretely and in a lively manner contribute to implementing the resolutions of the second national congress of party cadres and the 13th session of the party Central Committee, with the view that everything is for enhancing the people's trust in our new regime.

The Cambodian people throughout the country wish all participants in the session clear-sightedness, wisdom, and brilliant success.

Our people firmly hope that for the destiny and future of our motherland, our National Assembly will give valuable views and opinions with new ideas that are constructive and that show initiative for assisting our Council of Ministers in directing implementation of the social, economic, and other plans in future periods in line with the interests and the immediate and long-term requirements of our people and society.

Commentary Urges Prevention of Recurrence of Past

BK1308073191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 12 Aug 91

[Station commentary: "It Is Imperative To Prevent the Recurrence of the Past Danger"]

[Text] The process to settle the Cambodian problem has developed rapidly and is now in its final stage.

Prompted by this, the United Nations is also arranging for the orderly and voluntary repatriation of 350,000 Cambodian refugees from camps along the Cambodian-Thai border. Mr. Bayandor, a high-ranking UN official, said the progress in the efforts for peace in Cambodia would certainly make this materialize.

However, all Cambodians residing in the country and the refugees who are to be repatriated still cling to their sacred and persistent plea for the Cambodian warring factions and countries concerned with the Cambodian problem to take concrete and clear measures to ensure that the danger of the past will not recur.

This is one of the most pressing problems the Cambodian Supreme National Council [SNC] has to discuss and settle thoroughly and precisely at its coming official meeting at the end of August.

It is known to all that the protracted civil war in Cambodia, the suffering of the Cambodian people, and the displacement of the Cambodian refugees were all caused by those criminals who created the past danger from 1975 to the end of 1978. People still remember that some of the nearly 350,000 refugees fled the country while the Pol Pot clique was carrying out its massacre campaign from 1975 to the end of 1978. Meanwhile, other refugees were forcibly evacuated to the border at gunpoint by the Pol Pot clique when it collapsed in 1979. These people were used by the clique as a shield for bullets and as sources of manpower and supplies in serving their schemes to return to renew the danger in Cambodia.

Therefore, although our people, including the refugees, want peace, they should not allow this evil regime to be revived. Moreover, although Pol Pot and Ieng Sary, ringleaders of the Democratic Kampuchean regime, announced that they had retired, observers can see clearly that Pol Pot is still the ringleader of the Democratic Kampuchean faction.

(Roger Norvis), author of the (?Harvard Regional Bulletin), reported that in 1988, Pol Pot called a meeting of his cadres to inform them of the plan to delay the general elections in Cambodia until his armed forces could control and arrange it themselves.

Events of the past more than 12 years indicate that the Pol Pot clique has not changed its true nature. In addition to killing people in remote areas, snipping at buses and trains, and shelling villages, communes, monasteries, and temples, the Pol Pot clique has bullied the Cambodian refugees under its control. It has even banned international humanitarian organizations from entering some of its camps. Worse still, on 27 July 1990, the Pol Pot clique executed 30 cadres under its command and tortured (?70) others, charging them with inciting riots to demand rights and freedoms. THE ASIAN WALL STREET JOURNAL recently revealed during the SNC meeting held in Phatthaya at the end of

June, that Pol Pot hid himself in a room at Phatthaya's Royal Cliff Hotel and provided guidance and monitored the activities of the Democratic Kampuchean delegates attending the meeting as SNC members. This is why on the second day of the meeting, Khieu Samphan and Son Sen asked for a recess to get the opinion of their superior—Pol Pot.

All these clearly show that although the Pol Pot clique could not return to power through military means, it has sought every possible way to return via a political solution.

This is why our people demand a clear and real guarantee for a long-lasting peace in Cambodia, to ensure the vital interests of our country and people and free from the threat of the past danger.

The best measure to achieve this is to maintain the status quo both politically and militarily until the election is completed.

Availing themselves of this occasion, the Cambodian people throughout the country would like to express their elation over the news that the United States and other countries will declare their resolution to prevent and oppose the return of the past danger at the coming Paris International Conference on Cambodia.

PRACHEACHON Welcomes UN Afghan Plan

BK1408100791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 13 Aug 91

[PRACHEACHON commentary: "The Vitally Important Contribution to the Trail Toward Peace for Afghanistan"—date not given]

[Text] The new peace plan for a settlement of the Afghan problem put forth by UN Secretary General Javier Perez de Cuellar on 21 May 1991 is expected to provide the light of hope for the Afghan people. The plan initiated by the UN secretary general for a peaceful settlement of the Afghan issue consists of five points, and primarily it shows respect for the Afghan people's interests. Restoring peace is based on the respect for national independence, sovereignty, and reconciliation, as well as the people's right to self-determination, their right to choose an economic and political regime without outside interference.

Although not yet implemented, the new UN peace plan, currently opposed by the Afghan rebels, has however provided new possibilities for talks to restore peace to Afghanistan. As a matter of fact, representatives of Iran and Pakistan as well as those from different Afghan rebel factions have lately agreed to hold a meeting in Tehran on 27-29 August to discuss the setting up of a coalition government in Kabul to comply with the UN peace plan.

Since the withdrawal of Soviet troops from Afghanistan on 15 February 1989 in compliance with the Geneva accord on Afghanistan, the war between the Afghans has been going on and the people's blood has continued to flow and their property destroyed; and many Afghans have been killed. This has been caused by the obstinacy and inflexibility of the Afghan rebels whose bases are on Pakistani soil. In the face of the danger to the country and the people's lives, the Afghan party and government, with goodwill, have put forward a flexible and wise policy—a policy of national reconciliation—and an initiative to begin talks to resolve the Afghan conflict through peaceful means. This is to restore peace to the country in response to the people's interest as well as to restore security and peace in the whole region.

Lately, Najibullah, president of the Republic of Afghanistan, has made known his acceptance of the new peace plan worked out by the UN secretary general.

Together with the peace-loving people the world over, the Cambodian people wish to welcome the new UN peace plan and to applaud and support the Republic of Afghanistan's goodwill attitude and stance on unanimously accepting the peace plan. We wish to appreciate that the move is a vitally important contribution to the Afghan peace process to close the books on the protracted war that has dragged on for 13 years.

The plan is only a communique issued by the UN secretary general. So, in order to put the blueprint into concrete implementation, sincere and genuine cooperation from the parties dealing with Kabul is needed to endorse the treaties and agreements already agreed upon [words indistinct]. It is also imperative that the treaties and agreements be implemented so genuine peace can be definitively restored to Afghanistan.

Commentary Urges Goodwill From Every Party

BK1308093391 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 13 Aug 91

[Political commentary: "Goodwill Is an Important Ingredient for Cambodian Peace"]

[Text] Meetings to find a solution for the Cambodian problem were held on several occasions. However, those talks have not yet produced any satisfactory results for the Cambodian people—most of them living in poor and miserable conditions—who crave peace. The majority of the Cambodian people under the temporary rule of the party shored up by the Vietnamese in Phnom Penh have, all the time, complained that prices of goods have increased after each conclave and that if meetings are held continuously, commodity prices would likewise go up relentlessly. As such, have the meetings attained a real outcome for the Cambodian people?

As a matter of fact, meetings one after the other were undeniably in vain, except for the two last gatherings in the cities of Phatthaya and Beijing with the outcomes of which the Cambodian people presumably are able to see some fragments of the shadow of hope. Anyway, the hope can materialize if the ongoing meeting in the same city of Phatthaya at the end of this month can break through the remaining obstacles.

We wish to abstain from fleshing out the remaining impediments—that is the role of the dialogue partners. But what we wish to question at this time is the genuine goodwill of each party in the search for a solution for the Cambodian nation and people. Goodwill is a vitally important ingredient on the trail of happiness for the Cambodian people. Goodwill means sincerity on the track of peace, willingness for the Cambodian people to be happy, and desire to see Cambodia recover peace so the Cambodians will be able to rebuild their country. But, of course, the goodwill will signify nothing if each individual continues to cater to the interests of himself, his group, and his foreign masters who have installed him in power and to fear that his foreign-bequeathed power and position and the wealth—that represents the sweat and blood of the Cambodian children forced to serve as soldiers and die in his place or his masters' place—he has plundered from the Cambodian nation and people will be taken away.

In sum, we are able to conclude that there are a great many factors that can bring about peace for Cambodia. However, the vital ingredient is the goodwill of the leaders of every Cambodian party, especially the sincerity of the faction shored up and installed in power by the Vietnamese in Phnom Penh, which has—although it has always maintained that it has already agreed to accept the UN peace plan—continued to maneuver to hold up the implementation of the peace plan in Cambodia by raising this or that issue endlessly.

Goodwill can be pledged again in the next round of talks in Phatthaya on 26-28 August. It is not yet late. And compassion should be displayed on the Cambodian nation and people who earnestly aspire for a genuine peace.

Philippines

Honasan Reportedly Agrees to Peace Talks

HK1408034391 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Aug 91

[Text] The efforts by General Lisandro Abadia, Armed Forces of the Philippines chief of staff, for a peace negotiation between the rebel soldiers and the government may finally bear fruit very soon. This is after sources at Camp Aguinaldo disclosed that General Abadia has received word through his emissaries from former Colonel Gringo Honasan saying that he has agreed to a dialogue. The sources did not, however, disclose the details of the scheduled peace negotiation between Honasan and Abadia. The general said he is very much prepared to meet Honasan in any place and time he wishes in order to end the rebellion within the ranks of the soldiers.

In this connection, reports have spread in Malacanang that the rebel soldiers will launch a new coup d'etat, but President Aquino emphatically denied this. She stressed that the public need not worry about the report that Honasan's group and the New People's Army rebels have joined forces because the government, she said, is in control of the situation.

Further on Talks

HK1408051891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Aug 91

[Text] General Lisandro Abadia, the Armed Forces of the Philippines chief of staff, held a dialogue with several detained rebel soldiers' leaders of the Reform the Armed Forces Movement- Soldiers of the Filipino People [RAM-SFP] in Camp Aguinaldo for several hours on Monday. Abadia held the dialogue with the RAM-SFP officials amid reports that the group of former Colonel Gringo Honasan is planning to launch a new coup d'etat. The dialogue was held at the general's own quarters in Camp Aguinaldo, which is widely known as the 'White House.' Present at the dialogue were former Lieutenant Colonel Romelino Goho and former Philippine Constabulary Captain Diosdado Valeroso. The source said that former Major Abraham Purugganan was also invited to the dialogue but was placed under tight security. According to the report, a V-150 commando vehicle was placed on standby at the place of the talks while armed soldiers were deployed around the area to ensure peaceful talks between the parties. It is recalled that Goho, a distant relative of Honasan, led the takeover on Villamor Air Base and Channel 4, and the attack on Camp Aguinaldo during the bloody but failed December 1989 coup attempt.

Factions Vie To Succeed Captured NPA Chief

HK1408045291 Manila MANILA BULLETIN in English 14 Aug 91 pp 1, 23

[By Roy Sinfuego]

[Text] Philippine National Police (PNP) authorities said yesterday that three factions in the Communist Party of the Philippines (CPP) Central Committee and political bureau are vying for leadership following the capture of Romulo Kintanar, the New People's Army (NPA) chief.

PNP intelligence director Gerardo Flores reported to PNP Director General Cesar Nazareno that the CPP-NPA ruling body will adopt the strategy to be presented by whoever will succeed Kintanar.

"Any revision of the two-year campaign plan will mean that the CPP-NPA will start all over again in terms of its military efforts," Flores said.

The two-year military campaign launched by Kintanar in the middle of last year involved attacks on remote PNP and Armed Forces outposts by battalion-size NPA units; the kidnaping and assassination of key military, police, and government officials; rehabilitation of beleguered guerrilla fronts; and the intensification of the revolutionary fund raising program.

Flores said that at least three factions in the CPP Central Committee are now jockeying for the top post in the CPP Military Commission which was formerly headed by Kintanar.

These factions are headed by Leo Velasco, secretary of the Northern Luzon Commission; Arturo Tabara, secretary of the Mindanao Commission. They are also vying to succeed Kintanar as the chairman of the CPP Military Commission.

Flores said Velasco is the weakest of the three aspirants in the leadership because of some serious tactical blunders highlighted by the capture by government forces of the CPP Northern Luzon Commission headquarters in Sagada, Mountain Province, early this year.

That make Calubid and Tabara, who are both known communist hardliners, the top contenders to succeed Kintanar.

Earlier reports said that Lucio Borlaza, a foreign-trained urban terrorist expert and Kintanar's close aide, was the former NPA chief's choice to head the CPP Military Commission.

NPA Rebels Ready To Launch 'Massive Attack'

HK1408100891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 14 Aug 91

[By Benjie de Galicia, DZRH Unit No. 20]

[Text] The New People's Army is set to launch a massive attack on five Philippine National Police detachments which are strategically located in the province of Batangas. Any day from now, the planned attack will be launched by a joint force of the Banahaw Command, headed by Leopoldo Mabilangan alias Comrade Hector, and the Eduardo Tagle Command from Batangas. Based on the intelligence report we received, the planned attack is an all out war against the Aquino government, in order to embarrass Defense Department Secretary Renato de Villa, because the said secretary is a resident of Batangas.

Malacanang Submits 1992 Budget to Congress

HK1408052091 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Aug 91

[Text] Malacanang has formally submitted to Congress the proposed P [peso] 308.4 billion national budget for 1992. Budget Secretary Guillermo Carague handed this to House Speaker Ramon Mitra, Jr. for approval. The proposed 1992 budget is reportedly higher by 3.2 percent compared to the P298.9 billion budget which Congress approved for the current year. President Aquino justified that the high budget for 1992 is due to the dire need for funds by the places greatly affected by the Mount Pinatubo eruption, budgetary requirements for the implementation of the Local Government Code, maintainance of social projects for the poor and for the operation of a reduced but strengthened bureaucracy. President Aquino stressed that the proposed P308.4 billion national budget will pave the way for the transfer of a strong government foundation to the next administration for long-term stability and progress.

2 New Appropriations

HK1408071491 Manila PHILIPPINES NEWSDAY in English 14 Aug 91 pp 1, 2

[By Mariquit Almario and Dionisio Tubianosa]

[Excerpts] [Passage omitted] Budget Secretary Guillermo Carague, presenting the proposed 1992 General Appropriations Act (GAA) to Speaker Ramon V. Mitra, said there were two new appropriations in the measure.

These two were the P [pesos] 676 million budget for the Commission on Elections (Comelec) and the P50-billion rehabilitation fund for the people and areas affected by the eruptions of Mt. Pinatubo.

Representative Rolando Andaya (LDP [Struggle of Filipino Democrats], Camarines Sur), chairman of the House committee on appropriations, vowed that Congress would approve the 1992 GAA before the first week of January.

Andaya said he had already talked with Senator Neptali Gonzales, his Senate counterpart, that both chambers would speed up deliberations on the budget. [passage omitted]

The solon also said the committee would not revive the debt cap provision it introduced when the House was deliberating on its 1991 GAA.

The 20 percent debt cap provision, which allowed the government to allocate for the 1991 debt service payments only 20 percent of the country's export receipts, was vetoed by President Aquino. [passage omitted]

Andaya also said the committee might make reductions in the Malacanang-proposed budget but they would not be as substantive as last year's cut of almost P25 billion.

"They (Malacanang budget officials) put in funds for Mt. Pinatubo victims, internal revenue allotments and the budget for the elections. Offhand, I think the figure is reasonable," he said.

Government agencies which will be getting the largest shares of the national budget are the Department of Education, Culture and Sports with P34.5 billion; Department of Public Works and Highways, P21.4 billion; Department of National Defense, P19.6 billion; Department of Health, P10.4 billion; Department of Agriculture, P7.0 billion; Department of Environment and Natural Resources, P4.9 billion; State Universities and Colleges, P4.9 billion; and the Department of Finance, P3.7 billion.

The proposed budget for 1992, Carague said, would be financed mostly by revenues amounting to P278.9 billion to support 98.7 percent of expected disbursements next year. To attain this target, Caraguc said, Mrs Aquino would urge Congress to pass the following measures:

—simplified net income taxation scheme,
—affluent consumption tax,
—a ceiling on certain business deductions, and
—the gradual phase-out of the gross receipts tax.

Drilon Says Marcos' Remains Ban May Be Lifted

HK1408114291 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 14 Aug 91

[By Restie De Quiros]

[Text] The reason why the remains of the late President Marcos cannot be allowed yet to return to the country is personal.

In a joint hearing by the Senate Defense, and Justice and Human Rights Committee, Executive Secretary Franklin Drilon disclosed that the Malacanang also has plans to lift the return ban on Marcos' remains, but that President Aquino is not yet ready to face that situation.

Nonetheless, Drilon, and General Cesar Nazareno, Philippine National Police director, both believe that the return of Marcos' remains is still a threat to peace and order. Different elements could take advantage of it and pursue their sick plans.

Nazareno also proposed that the remains of Marcos should be buried within 48 hours of arrival in the country.

Meanwhile, Senator Ernesto Maceda was not convinced by the reasons Nazareno and Drilon advanced as to why the arrival of Marcos' remains would be a threat to peace and order. Maceda said that should the return of Marcos' remains result in a peace and order problem, then it means that the executive and the police force are weak.

Officials, Others Continue Bases Discussion

Senate Majority Leader on Clark

HK1408123491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 14 Aug 91

[Text] In spite of the devastation brought by the eruption of Mt. Pinatubo the Clark Air Base in Angeles City can still be used for development purposes.

According to Senate Majority Floor Leader Teofisto Guingona, the Philippine Government cannot just abandon the infrastructure projects, electricity plant, and forests with mining potential [as heard] inside Clark.

In relation to this, Guingona said that should the Americans also withdraw from Subic Naval Base, the maritime industrial complex which will be left behind may be used by Philippine shipping industry. Nonetheless, Guingona warned on the adverse effects of a treaty rejection by the Senate, to the military's modernization program. Let's listen to the statement of Senate Majority Floor Leader, Teofisto Guingona.

[Begin Guingona recording in English] ...the buildings and major yachts [words indistinct] and so I feel we should do something about this, plus, if Subic really goes, they should privatize Subic so that a capable, competent, even international expert, can manage the maritime complex in Subic for the good of the country. [end recording]

Department on Security Needs

HK1408042991 Manila BUSINESS WORLD in English 14 Aug 91 pp 1, 23

[Text] North Korea's nuclear capability and the territorial disputes over the Spratlies remain threats to the stability of the region and pose threats to the Philippines's national security, the Department of National Defense [DND] stated in a paper submitted to the Department of Foreign Affairs recently.

The DND paper, prepared by Defense Undersecretary Feliciano Gacis, was incorporated in primers submitted to the Senate justifying retention of the U.S. presence here.

"While it is true that the superpower Cold War has ended, ...the situation in the Asia-Pacific region is different from that in Europe. There are actual and potential tensions in the region," Mr. Gacis stressed.

"For example," he pointed out, "the military confrontation between North and South Korea continues, which may further be aggravated if North Korea develops its nuclear bomb.

"Closer to our shores," the defense official continued, "is the simmering conflict of rival claims to the Spratlies."

"Should these two tension spots erupt into armed conflict, they could ...cause destabilizing repercussions throughout the region, ...including threats to our national security," the DND warned.

The continued U.S. presence here, under the new Philippine-American Cooperation Treaty [PACT] affords stability to the region, gives the Philippines "protection from external threats" and allows the modernization of the Armed Forces of the Philippines, the DND stresses.

Under PACT, the AFP will get a total of $253 million annually over 10 years consisting of foreign military funding credits, excess defense articles [EDA] and education and training programs.

Without the U.S. assistance, "because of the state of our economy, the budget of the Armed Forces of the Philippines, now and into the near future, will not be adequate to meet the requirements of manpower, arms, equipment, supplies, fuel, etc, in order to conduct an effective campaign against internal threats... with hardly anything at all left to replace worn out or obsolete equipment, aircraft and ships," the DND paper asserts.

"Before one gets the wrong impression," Mr. Gacis said, "the EDA are ot obsolete U.S. equipment and arms. These are excess as a result of the reduction of U.S. forces in Europe and other countries, the closure of U.S. bases overseas, and the conclusion of the Gulf War. These equipment and armaments are current in the U.S. inventory."

Moreover, the EDA at an estimated $150-million level a year will be extended at minimum or no cost. "Transportation costs may not even be charged to us," another defense official remarked.

"We need to modernize," Mr Gacis said, "so that when the U.S. finally leaves, the Philippines can stand on its own with a respectable and credible armed forces to uphold its sovereignty and protect its territorial integrity."

"While we are not prepared," the DND concluded, "the U.S. presence in Subic Naval Base will keep away would be aggressors."

The Philippine and U.S. technical panels meet today to "go over the agreements line by line."

Aquino Asks For Funds

HK1408050791 Manila MANILA BULLETIN in English 14 Aug 91 pp 1, 14

[Marcia Rodriguez]

[Text] President Aquino asked yesterday the Senate to propose alternative sources of revenues for the government should it decide to reject the bases treaty and the United States offer of compensation, including $350 million for the Armed Forces of the Philippines (AFP) modernization program on the first year and $250 million annually for the next nine years.

Mrs. Aquino met in Malacanang with Sen. Ernesto Herrera, the sixth member of the Senate she has talked with individually on the need to ratify the bases treaty, even as government lawyers were reportedly studying the U.S. proposal to recognize the treaty and submit this to the United Nations even without the ratification of the U.S. Senate.

Philippine Ambassador to the U.S. Emmanuel Pelaez said the U.S. government may forego ratification of the bases treaty by the U.S. Senate as he noted that the U.S. has decided it will "not renegotiate" the terms of the agreement.

"They have so many of these treaties all over the world and if they submit all these to the Senate, they would have no time for anything else ... It will be recognized by the president officially as a treaty and it will be registered in the UN as a treaty," he said after meeting with the President.

The RP [Republic of the Philippines]-U.S. Cooperation Agreement signed by Foreign Affairs Secretary Raul Manglapus and special U.S. negotiator Richard Armitage last July 17 provides on the first year (Oct. 1, 1991 to Sept. 30, 1992) a $573-million compensation related to the military facility, including $350 million for AFP modernization; $320 million U.S. assistance intiatives in the form of trade access, concessional loans, and regional cooperation fund; and $67 million in economic assistance.

The agreement also provides annually for the period covering Oct. 1, 1992, to Sept. 30, 2001, the following: $453 million compensation related to the military facility; $320 million U.S. assistance in the form of trade access, concessional loans and regional cooperation fund; plus additional economic assistance which will subject to discussion by a Program Review Group.

Herrera expressed apprehension over the bases treaty, saying he wanted to ascertain the inclusion of provisions that would protect Filipino workers who wil be displaced from the U.S. military facilities and provides a compensation package for the reconstruction and rehabilitation of devastated Central Luzon.

Press Secretary Tomas Gomez III, presidential spokesman, said Mrs. Aquino's tactic of speaking with the senators one-on-one is not "arm twisting" in a traditional sense.

President Aquino seeks advice from the senators and gives them information as well, Gomez said. She tells them the possible ramifications of the treaty's rejection as culled from reports of various concerned sectors such as the military.

Amid comments reportedly made by Senate President Jovito Salonga that the one-on-one meetings were a futile exercise, Mrs. Aquino remained hopeful that a proper decision would be made by the Senate.

"I continue to hope that a decision beneficial to the greatest good for the greater many will eventually prevail," Mrs. Aquino said in response to Salonga's claim that anti-bases senators are unlikely to change their sentiments against the treaty even after their meetings with her.

Gomez said that during the meetings, Mrs. Aquino asks the senators to propose alternative sources of revenues to continue with the modernization of the AFP.

The presidential spokesman said Mrs. Aquino has expressed concern that the Philippines may lose the opportunity for economic stability and modernization of the AFP if the bases treaty is rejected.

He said that while world leaders have expressed preference for the retention of U.S. military facilities in the country, this cannot be misconstrued as "international pressure" on the Philippine government. Among the countries in favor of the bases are Japan, Singapore, and other ASEAN nations.

On the contention that the bases treaty may be recognized even without the approval of the U.S. Senate, Gomez said government lawyers are studying whether a treaty without the U.S. Senate would be binding.

He stressed that the ratification of the Philippine Senate is necessary as this is provided for in the Constitution, but the Philippines cannot impose its laws on another country.

Herrera cited the importance of these issues, saying, "This is a golden opportunity for us to get some funds for the protecton of the workers and the rehabilitation of Central Luzon affected by Mount Pinatubo."

Mrs. Aquino assured Herrera that funds for these purposes will be available although these may not be reflected in the treaty.

Herrera joined Sen. Jose Lina in asking the Executive Department to submit the signed agreement by Manglapus and Armitage to the Senate so it can be reviewed.

Other senators who have met with President Aquino one-on-one are Senators Agapito Aquino, Rene Saguisag, Neptali Gonzales, and Edgardo Angara. Aquino and Saguisag expressed dissatisfaction with the terms of the treaty. Gonzales and Angara indicated willingness to ratify the treaty while Herrera and Lina kept an open mind.

Mitra Addresses Congress

HK1408051791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 13 Aug 91

[Text] Speaker Ramon Mitra Jr. emphasized the importance of the continued presence of the U.S. bases in the country. In his 15-minute privilege speech in Congress, Mitra said the U.S. military base is the basis for the country's economic progress and the Senate has to ratify this before the agreement expires 16 September this year. Mitra expressed the belief that the economy will be badly affected if the Senate does not change its decision not to ratify the new bases treaty. He noted the displacement of thousands of Filipino workers, the loss of rental payment, and evasion by foreign investors to invest in the country, which would also affect the country's political stability. Mitra admitted he has changed his position. In 1985, he was among those who signed for the ejection and nonextension of the U.S. bases in the country. According to the speaker, his position change came after his meeting with President Aquino, who told him it is possible that many investors will withdraw if the U.S. military bases are pulled out of the country.

Olongapo City Mayor Interviewed

HK1408062591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 13 Aug 91

[Interview with Olongapo City Mayor Dick Gordon by correspondent Joe Taruc; from the "Liberty in Action" program—live; italicized passages in English]

[Excerpts] [Passage ommitted] [Taruc] Mayor, even if we say that the problem posed by Mt. Pinatubo is not short-term, you still face another big problem which we can ascertain to be long- term. This is about the future of the military bases, particularly Subic Naval Base in your area.

[Gordon] You know Joe, we always say that is the problem of Olongapo, the problem of Pampanga, or the problem of Central Luzon. The pain of the little toe, however, is the pain of the entire body. *We are already looking for 700,000 to 900,000 jobs a year for this country,* and many of our countrymen, *almost 4 million of them, do not have work.*

I said that if we will still remove this base after the Pinatubo eruption, despite Labor Regional Director Baby Laguesma's report that 660,000 people have already lost their jobs and livelihood, including farmers, displaced workers of Clark, and others, we will just aggravate this situation if we close Subic. I think that is inhuman. *It doesn't really make sense. It's as if we're cutting off our noses to spite our faces with respect to the Americans.* We should be concerned not only with compensation. As I have been saying for a long time, we should not only be concerned with compensation...

[Taruc, interrupting] ...It should not be centered there.

[Gordon] It should not be centered there because we will not be respected. This is why, if you recall, while I rejected the apples and oranges [sent by the Uniteds States]—although we need them—I said that is not what we should talk about. What we should talk about is respect and our relationship, so they can be of help. So even if I rejected the apples and the oranges, because of our good relationship with the United States, which is based on respect, a number of children in Olongapo, 20 children, can sell in almost two years about 7 to 8 million pesos worth of palettes inside the base—when we had just taught those children how to make palettes.

If we consider the compensation being paid to us by the United States, therefore, we should think that because of our relationship with the United States, which is the biggest market in the world, this will be our so-called comparative advantage. We do not have to deal with them because there exists an ongoing relation and discussion that we can always enter the bases.

If you look at the negotiation result, therefore—although it appeared rushed because of the Pinatubo eruption and the withdrawal of the Americans from Clark—if you will really look into it, there are amenities such as the 203 million [not further specified], the entry permit of food additive caragina to the United States which *means that from about $50 to 200 million of caragina can enter the United States.* We can also enter the garments market, and millions of people can enter that market. If you look back on the past five years of this Cory Aquino government, our trade registered a big increase. It is only in the United States that we have a trade surplus which exceeds some billion dollars. Meaning that it is only right to change the relationship emerging now. We are removing the 1947 agreement which was forcibly made during that time. [passage omitted]

What is happening now is that we can relate as a country to another country and we are moving away from that other kind of relationship. We are thinking not only of defense but also of trade, and we should know that our country should also listen to the military. [passage omitted]

[Taruc] Mayor, Clark Air Base is definitely out of the dialogue and the point of discussion now is this Subic Naval Base. In terms of hectarage, how big, more or less, is the land being occupied by Subic Naval Base now?

[Gordon] The Philippine base in Subic hosting U.S. facilities is 18,000 hectares....

[Taruc, interrupting] Excluding water?

[Gordon] Excluding water. That is only the land area, the mountains surrounding it is under Philippine authority. What we are lending them now is 5,000 hectares....

[Taruc, interrupting] Which they are occupying?

[Gordon] Which they are occupying. That is what we call the industrial sites. According to Ambassador Pelaez, the present use of the bases, the U.S. facilities on the Philippine base at Subic, is already delineated. This one they can only use for supply, for training, for transit; and if they use this for combat operations, there should be prior approval—not just prior consultation—prior expressed approval from the Philippine Government. These are the things I heard being revised in the new treaty. We should also know that Cubi Point for example—in 1950's, the United States made that Cubi Point. They leveled the mountains and made it into an airfield. Nobody wanted to accept the contract because it was a very huge contract and it might not have been sustained. It was thus the U.S. Government itself that did it. That is why Subic base is a great matter inasmuch as the United States has airspace in Cubi Point and they also have a deep-water harbor which is used as repair ground for fleets and a training ground for the Americans.

[Taruc] Mayor Gordon, one of the topics of discussion these days is about this military base agreement. We know that it will have a great effect, should no agreement be signed and the Americans will have to go. Have you in Olongapo City already prepared for this?

[Gordon] Our preparation is basically within the province. We have a proposal to create Metro Subic Base tourism, such as encouraging hotels to establish trade tourism and a cultural center, and the convention center which we are planning now. We can do this by borrowing money from the people. *But we need time for that. And for that matter, Joe,* the most painful blow in our country is that *for the last 43 years* when the bases were here, we never prepared a single nail. We never nailed down a single alternative. We were always dependent. That is what I am complaining about. Our nationalists are correct in saying that if they leave, prepare. I have been saying this for a long time. *I think the real nationalist position is to be ready,* like the boy scout who is always prepared. In being prepared, we do not just draw the plans, we must also nail down what we are preparing so that it is already there. Even if the bases are still there, if you have these alternatives on hand, your negotiating position with the United States would be better. As in other countries, that is what happened. We Filipinos, however, never prepared. We should have started preparing in 1947, even if the bases agreement did last 99 years. Especially when we shortened it to 25 years in 1966. We reduced it to just 25 years and still we did not prepare. When Sangley Point pulled out, we were saying that we would transform it to a transshipment port but nothing was done. It became the Philippine Navy's naval base. All the dilapidated ships are there.

[Taruc] Given the scenario which is feared by many—the Americans will leave, then there is this destruction caused by the Mt. Pinatubo eruption—what will happen to our countrymen?

[Gordon] That is one big thing that we should attend to. We cannot use Clark for the next two to four years. The lahar will definitely be coming down if it rains. Nobody knows if it will pass through Batinot. Clark is only 10 miles away from Pinatubo. *And definitely,* Angeles city will be hit and *I really grieve* that nobody is talking for those from Central Luzon. What I am saying is those from Central Luzon are having a hard time now and we should understand this. I am inviting the Senate to go there and talk to these people from Pampanga, Zambales, Bataan, Tarlac, and ask them what their opinions are because they will be asked by these people what they could give them. We from Central Luzon are industrious. The Pampangenios are craftsmen. We Ilocanos and Zambals are ready to work. *But what have you done to give us in way of an alternative*—that is what they will ask them.

[Taruc] You, Mayor Gordon, have the opportunity to socilaize with the Americans. Have you and Admiral Mercer in any way been able to mend your differences?

[Gordon] Well, that is what I am saying. Our problem sometimes is that we look at our relationship in such a way that someone has to lose. No one should be a loser or a winner, in my opinion. It has to be a *win-win situation.* For example, if you remove the base we lose more because the Americans can still survive. They are stronger than us. They have a place to relocate. Our people, however, have nowhere to go but to other countries, and that is always our solution. *We are cattling our people* like cows being put in the railways and sending them to other countries. *And to me that is sickening*—our countrymen are in a pitiful state.

[Taruc] What feedback have you received from the Americans? What are their plans?

[Gordon] It is not only feedback from the Americans, because we must also study their government, the moods of their countrymen, and you can see now that in *America they have a severe budget crisis. They are in a recession.* They are now undergoing a difficult time and are being defeated by the Japanese. The Third World countries are competing to work for them. They produce cheaper products. What is happening in the United States is that they have a budget crisis *and there is an order of a 25 percent across the board cut on the military.* The Navy has to be reduced by 25 percent. The Air Force will also face a 25 percent cut. All of them will be cut by 25 percent. Because of that, we should take into consideration that they are also removing bases in the United States and in removing their bases, their congressmen, like our congressmen, will ask: Why are you removing bases in our country while you have bases in other countries which say bad things about us? You should remove these. We should consider this. What I see from this is that they say they will not leave Clark. They say they will not leave. That John Hay will not be abandoned. They suddenly left us, however. Look at U.S. history. They abruptly left Vietnam. Sangley Point was abandoned abruptly. Clark Field was left abruptly and John Hay was left abruptly, too.

[Taruc] You mean to say, Mayor, that if no treaty is formed, the Americans might leave Subic abruptly?

[Gordon] The way I look at it they will leave it.

[Taruc] *Despite the strategic location of the Subic Naval Base?*

[Gordon] Yes. Because first of all, [words indistinct]. *We should not only look at it from the Philippine perspective.* There is no more cold war. They may be scaling down. They would just say: *So be it.* We scale down. You know, reactions would probably come from our neighbors like Japan.

You should remember that Japan gave $1 billion to the Philippine Aid Plan and to the Multilateral Aid Initiative last February. The $1 billion obtained from that came from Japan. Why do you think the Japanese are giving? Because they see that the Filipinos have their own contribution *whether you like it or not* through the bases here which are helping maintain peace in their sea lanes.

[Taruc] We know even though you stayed in Olongapo City *because of the eruption of Mount Pinatubo,* in one way or another you get feedback about the convictions from members of the Senate, the ratifying body of our government. In your personal assessment Mayor Gordon, will there be any change of conviction from the majority members of the Senate about having a new agreement on Subic Naval Base?

[Gordon] In my view, it is reasonable that ... [changes thought] Even if we wanted to get more, this is the problem when the negotiation is made public. When the negotiation is made public, there seems to be a feeling of shyness. *You paint yourself into a corner.* It is like painting a room in that when you are in a corner and want to leave the room, you cannot because you have to step on and ruin the parts which you have painted. So if you give them your asking price and later you lower it, they would say you are a failure. From my perspective, Mount Pinatubo has been bringing us hardships, as has the earthquake. The Mount Pinatubo incident is still not finished, as the lahar will continue to fall. I have just talked to Professor Rodolfo and with the rain pouring heavily, lahar will surely flow down the mountains.

In my opinion, *this is an opportunity* for our senators to see the ill effects brought about by the sudden departure of the bases now. The bases agreement that was formed now *gives us time upon which we can really plan and execute for the first time in our life* those alternatives that we are talking about. Let us put in place our alternatives. We do not want any military usage. For example, the Philippine Air Force will enter Clark, but the people from Angeles prefer commercial operation. For us here in Subic, we do not want to be like Sangley Point, which was converted to a Philippine base. We would prefer industries. Up to now, however, in all the bases that we have talked about *from Sangley to Clark,* none was utilized for commercial use.

[Taruc] Mayor, just in case the Americans abruptly leave Subic Naval Base, can our country or our government be able to benefit from that area and earn an immediate income?

[Gordon] *Well it will take time* because we have to deal with what market you want established in this port. I personally want a port. So, as early as now, we should be taking actions and planning. As in 1971 when I was in the constitutional convention, I saw their departure from Sangley Point. That was the first time I started to think. These savage Americans [laughs], will leave if it is no longer in their interest to stay in a place. They will leave without any formal goodbye, because this has been their norm, as in Sangley Point and Vietnam. There were 50,000 American casualties in Vietnam, and they lost a huge amount of money. They abandoned or threw away helicopters. They left tanks and planes behind. This is nothing to them because their national interest is clear to them. This is what we lack. Our national interest is not clear to us.

What I can say in this regard is that we should have prepared for this day. I said a long time ago that if the Americans leave Subic base, we would be caught flat footed, with no preparations whatsoever. I said: Why do we not invite Hong Kong, because many will leave by 1997—and let us bring those businessmen from there to Olongapo. We have been preparing for that since I became mayor in 1980. Ping de Jesus, who is now a secretary, and we agreed to create a planning program on bases at the Development Academy of the Philippines in the City of Olongapo. This was used by the Abueva Commission. Although he did not talk to us, Professor Abueva said he obtained a lot of ideas from the plans that we have made.

[Taruc] But those plans are affected by the Mount Pinatubo eruptions.

[Gordon] *Of course* the one thing you need to think is if you present this now, who will invest in Clark when they know that Pinatubo is still erupting. *At least for the last four years it will be affected.* [sentence as heard]. Even in Subic they know it is also near Pinatubo, so who will invest there? Second, they will ask: Is there electricity in the area? We will put up big industries there—do you have sufficient electricity? Is there power? The truth is there is none because the Bataan Nuclear Power Plant is not functioning. The plan on Masinloc is still being debated. The coal plant was rejected by the local residents. Third, they will ask: Do you have wide roads, not winding roads, because it will be difficult for us to drive big container vans into the area. This would create traffic problems. There is already traffic on the Northern Diversion Road. This is a two-lane road which needs widening. Fourth, is your water sufficient? Is your communications effective? Is our labor force trained for the job? Do we have technical schools to retrain the workers? One more thing: What is your merchandise? Do you have buyers? We placed Philseco supertanker repair at Subic Bay. Where is our market? That has gone bankrupt. What I am saying is, if this supertanker has really gone bankrupt, we should sell all those dry docks. We can convert this into smaller ships. We should sell that and place there a special economic zone where small industries can established, such as garments *or whatever you think is best there* which has a market. [passage omitted]

Business Groups Urge Ratification

HK1408071091 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 14 Aug 91

[Text] Business groups throughout the country urged the Senate to ratify the new Republic of the Philippines-United States bases agreement. The business groups wrote in an open letter that the ratification of the new agreement will provide more jobs to the people. They also said that the senators should consider the nation's interest. Ron Bayani has additional information on this:

[Begin Bayani recording] Among the business entities that aired their sentiments were the Makati and Manila Stocks Exchanges, Bankers Association of the Philippines, the Federation of Philippine Industries, Petroleum Association of the Philippines, Buy Filipino Movement, and the Garments Business Association of the Philippines.

The group emphasized in the open letter the help which the United States has extended during its stay in the country. They said that one needs not be anti-American to be nationalistic, especially with issues pertaining to the ratification of the new treaty. In their request for the ratification of the new treaty, they also stressed that the welfare of the more than 60 million Filipinos lies in the hands of the Senate, which is why it should make the right decision. [end recording]

Church Group Joins Opposition

HK1408135991 Davao City PEOPLE'S DAILY FORUM in English 9 Aug 91 p 5

[Text] Davao City—The Ecumenical Forum for Church Response [EFCR], an interfaith organization of priests, nuns, pastors, and lay leaders of both Catholics and Protestants, joins the Federation for a Bases-Free Philippines-Davao Chapter, a newly-formed group composed of anti-bases alliances, coalition and sectoral organizations.

Remembering the horrible incident that brought devastation, misery and death to the people in Hiroshima and Nagasaki, the EFCR said "it is now high time for all Christians, who, by birth became stewards of God's creation to insist on their noble responsibility of protecting and preserving the earth by opposing all man-made initiatives that put creation in fatal danger."

Hiroshima and Nagasaki were bombed with nuclear weapons during the height of World War II.

While it is yet uncertain if the New Bases Treaty will be approved or rejected by the Senate the only certain thing is that while the U.S. bases are still on our soil "our country is not yet sovereign" the EFCR said.

In a "staw poll" on the treaty in a Senate Caucus, a cast of twelve negative votes was reached. The Administration has to muster a favorable two-third votes to secure Senate concurrence. Of the 23 members of the Senate, 15 have to vote for the concurrence under the 1987 constitution.

Suporting the line of Alejandro Lichuco of the Citizens Committee on national Crisis, the EFCR said "if the political leaders of this country cannot muster the will and the guts to declare an end to the bases, then they cannot be expected to muster the will and the guts to declare an end to the status quo and to proceed with the daunting task of national renewal and social reconstruction, so necessary if we are to meet the challenges of the 21st century and the mounting demand of the masses for social justice and a life freed from privation."

The U.S. Military Bases have been in our soil several decades ago and their existence "prove their inutility vis-a-vis the call of the basic masses," EFCR said.

Pro-bases advocates claim that U.S. bases help our economy and protect us from external aggression.

Refuting such claims, EFCR said "no favorable manifestations that hosting U.S. Bases helps our economy but extreme poverty, widespread malnutrition and high unemployment rate." [sentence as published]

"The presence of the U.S. Bases make us a nuclear target from U.S. enemy-countries that may not be our enemy. This engages our country into a war not of our own making" the EFCR added.

Among others, Philippines hosts Clark Air Base in Pampanga and Subic Naval Base in Zambales. Subic is the largest U.S. naval Base went of Hawaii.

"The nuclear era had past and the global quest is PEACE [word as published]. As Christians it is our right, responsibility, and mission to defend the creation from nuclear holocaust, destruction and annihilation. And the time is now to insist this God-given task", the EFCR concluded.

Thailand

Ministry Expects EC To Withdraw Tape Petition

BK1308032191 Bangkok BANGKOK POST in English 13 Aug 91 p 28

[Text] The Commerce Ministry is confident that the European Community will withdraw the European music tape producers' petition against inadequate copyright enforcement in Thailand, after receiving formal clarification on the issue.

Last month the International Federation of Phonographic Industry (IFPI) in Brussels filed a petition urging the EC to impose higher customs tariffs or quantity restrictions on Thai exports in protest against its failure to protect foreign music recordings sold in Thailand.

A highly placed source in the Commerce Ministry said yesterday that the IFPI complaint was counteracted by the Government's recent progress in improving the enforcement of copyright laws.

He said the Thai Government had already clarified the issue by intensifying the campaign against pirates.

The source said since early this year Thai officials had cooperated with an enforcement arm of the IFPI in Bangkok in its campaign to crack down on suspected major music pirates.

He said as many suspected pirates were raided by a task force of the Economic and Financial Crime Supression Division (EFCSD) there was no reason to put more pressure on Thailand to fight the issue.

"The biggest raid on the Super Peacock, an alleged major music pirate, last month was a great success for the Thai Government campaign, because it was possibly the biggest raid on a music pirate ever," he said.

He said many music pirates, who were members of the Thai Magnetic Tape and Record Association, had agreed to stop producing new pirated cassettes and were applying to become agents and distributors of foreign music tape producers.

In an attempt to convince the EC commission to drop its case the Commerce Ministry sent informaton clarifying allegations and informed the IFPI in Bangkok to confirm the Thai Government's actions.

The source said IFPI director for Thailand, Thianchai Pinwiset, accepted to support all information on the issue because he was expressly concerned that the EC action may damage favourable cooperation between the EFCSD and IFPI on the crackdown.

"Mr Thianchai is also upset with IFPI moves in Brussels, which failed to seek information from him before deciding to take action against Thailand," the source said.

Commerce Minister Remarks on EC Market

BK1408021491 Bangkok BANGKOK POST in English 14 Aug 91 p 17

[Text] Commerce Minister Amaret Sila-on is confident Thai exports this year will reach 696,000 million baht, beating the initial export target of 690,000 million baht.

Mr Amaret said that in the first half of the year Thailand exported more than 338,000 million baht worth of goods, a 21 percent increase from the same period last year.

He said the European Community had emerged as major export market for Thailand this year, with 76,000 million baht worth of goods, or 30 percent more than the same period last year, exported there.

Exports to Japan had increased by 32 percent from the same period last year, worth 62,000 million baht.

Mr Amaret said although the United States still was a major export market for Thailand, exports there were worth 70,000 million baht, an increase of only 12 percent compared with the same period last year.

Mr Amaret refused to reveal Thailand's import and trade deficit figures for the first half of the year, saying to reporters: "Why do you want to know this?"

At a Cabinet meeting last June, the Commerce Ministry forecast that imports this year would amount to 890,000 million baht, up 14.89 percent from 1990, and that Thailand's trade deficit would be 290,000 million baht, 10.27 percent higher than last year.

Foreign Minister 'Likely' To Visit SRV in Sep

BK1408050191 Bangkok THE NATION in English 14 Aug 91 p A2

[Text] Foreign Minister Asa Sarasin will likely visit Vietnam early next month following "tangible" progress made by the Vietnamese side on fishing problems, Foreign Ministry spokesman Sakthip Krairoek said yesterday.

Sakthip said ways to settle fishery disputes would be on the agenda for discussion between Asa and Vietnamese officials during his visit which would be highlighted by the signing of an agreement on the setting up of Thai-Vietnamese joint commission on economic cooperation. The draft agreement is nearing its final stages.

At the request of the Thai side, Vietnam early this month released a report, putting the total number of Thai fishermen and trawlers arrested until June by Vietnamese authorities for alledgely infringing Vietnamese waters at 846 and 48 respectively.

Sakthip said earlier that Asa visit will depend on Vietnam's cooperation in providing detailing information about Thai crewmen and trawlers seized by Vietnamese authorities. Thailand still wanted Vietnam to identify the people and where they were arrested, he added.

Informed sources said obtaining such precise information would help Thai authorities trace the seized vessels' owners who would be responsible for fines charged by Vietnam for the release of the crewmen and the redemption of vessels. The Foreign Ministry currently pays for the crewmen's release.

China Seeks Increased Tourism Cooperation

BK1408041891 Bangkok Voice of Free Asia in English 1500 GMT 13 Aug 91

[Text] China is seeking closer cooperation with Thailand as part of its efforts to promote tourism between the two countries ahead of 1992's Visit China Year and Visit ASEAN Year, said the Tourism Authority of Thailand, or TAT.

A high-level Chinese delegation recently met TAT Governor Thammanun Prachuapmo to seek marketing advice for China's tourism industry since Thailand has been registered as one of the highest tourism growths in this region for a number of years.

Thailand is considered a favorite tourist choice because it is regarded as one of Asia's best shopping destinations.

Cabinet Approves Embassy in Phnom Penh

BK1308142791 Bangkok Voice of Free Asia in Thai 1030 GMT 13 Aug 91

[From the "Report on Results of Weekly Cabinet Meeting" program]

[Text] The Cabinet today approved in principle a Foreign Ministry proposal to open an embassy in Phnom Penh and to find a new, larger site for the embassy. If a new site cannot be found, however, the old site will be used. Setting up a permanent office in Cambodia will be a political expression of recognition for Prince Sihanouk's role as well as the Supreme National Council as an interim government of Cambodia. It will also support the methods for resolving the problem in line with the United Nations Security Council peace plan, which will induce all Khmer factions to accept the peace plan, and will be beneficial to the promotion of trade and tourism between the two countries. The old embassy site, which is only about one rai of land, may be too small for operations in the future.

Government Unveils Agricultural Aid Plan

BK1408054691 Bangkok BANGKOK POST in English 14 Aug 91 pp 1, 3

[Text] The Government yesterday unveiled a comprehensive programme to rehabilitate the farm sector with a wide range of measures aimed at helping around 700,000 landless and debt-stricken rural families.

Prfime Minister Anan Panyarachun told senior journalists last night the country's agricultural sector would receive "upgraded" priority after several decades of neglect.

Mr Anan said the strategy was necessary because of growing disparities between the farm and non-farm sectors. The agricultural sector still employs more than 60 percent of the country's population.

The share contributed by the agricultural sector to the country's gross domestic product (GDP) has dropped by 50 percent over the past 30 years, while earnings from agricultural exports as a proportion of total shipments has fallen by 75 percent.

Mr Anan said the main aim of this latest programme was to improve the lives of about 500,000 landless farming families across the country. Other officials said the programme would also assist another 200,000 heavily indebted families.

The programme proposed by the Agriculture and Cooperatives Ministry was approved by the Cabinet yesterday in a resolution which stated there was an essential need to upgrade the farm sector as a key national development strategy.

"The Government will give priority to agriculture and the implementation of efficient measures for our goals to be realised," a Cabinet statement said.

Deputy Agriculture Minister Khosit Panpiamrat, in describing the Cabinet resolution as a new direction for development, said it would restore the importance of agriculture.

"The role of agriculture has been neglected since people began talking about Thailand becoming a NIC [newly-indistrializing country]," he said.

Mr Anan said the programme would correct past government policies which were criticised for emphasising economic growth while neglecting the creation of non-agricultural jobs for farmers.

The plan will increase farm efficiency while gradually reducing the rural population by easing the transfer of farmers into other employment, he said.

Awareness among government officials, especially those with the Agricultural Ministry, will have to change to ensure the successful implementation of the programme, he said.

The Prime Minister said the programme would focus mainly on improving "basic agriculture" rather than agro-industrial development. He was sceptical whether large-scale, integrated agro-industry would be successful in Thailand in the long run.

The concept is considered exploitative of farmers. Many believe farmers will be robbed of opportunities to improve themselves under this system, he said.

The ministry plan contains a wide range of remedies which address the problems of farmers and the growing class of landless farm workers.

It focuses on the efficient use of land, crop diversification, long-term farm credit, land reform and job training.

Mr Khosit said the ministry would promote research and development into alternative crops for Thai farmers heavily dependent on the five major crops—rice, corn, cassava, sugar cane and rubber.

Statistics show farm incomes are likely to increase as they grow more alternative crops, he said, adding the approach had proved successful in experiments under royal-initiated projects.

The income of farmers in the central region, for example, is much greater than that of farmers elsewhere because of greater crop diversity.

"The more choices the farmers have, the higher their incomes," he said.

Farmers will also be instructed to maximise the use of land in selecting crops.

The Government will redirect its farm credit programmes from the current emphasis on shortterm loans to long-term funding.

The plan targets small and poor formers in 10,354 villages in 42 provinces designated as areas of poverty and having poor soil conditions. The ministry was instructed to setup agricultural cooperatives in all of them within five years.

The Government will allocate two billion baht for this purpose from the six billion baht central fund for assisting farmers in the 1992 fiscal year.

The funds will be managed by the Bank for Agriculture and Agriculture and Agricultural Cooperatives, which was instructed to ease loan requirements to give farmers more access to long and medium-term credit.

Mr Kosit said the ministry would hand over the task of planning crop production to local ministry officials at district and sub-district levels.

He said the Government would also tackle the worsening problem of landlessness as 500,000 families made up of landless farm workers now exist within the country.

The Government will register the landless so they qualify for land under reform programmes if they want to remain in farming or for job training if they want to take up non-farm activities.

A Land Fund will be set up to support land reform programmes which stress the suitability of soil conditions for cultivation rather than the current emphasis on awarding a fixed 50 rai of land to every family.

A major change is that land reform authorities will assist the farmers in planning production.

The fund will come under the BAAC which will have an initial fund of one billion baht set aside from the central fund for farmers.

When the fund is fully developed, he said the Government planned to upgrade it into a Land Bank.

Air Force Chief, Opposition on Electoral System

BK1308025191 Bangkok BANGKOK POST in English 13 Aug 91 pp 1, 3

[Text] Air Force Chief ACM [Air Chief Marshal] Kaset Rochananin says he wants an electoral system in which party teams are elected to Parliament for each constituency, not individual candidates.

This would result in fewer parties and strengthen the party system, he said yesterday.

ACM Kaset, who is a member of the National Peacekeeping Council, spoke in Chiang Mai where he took part in a walk with Governor Chanasak Yuwaboun, military and police personnel and local people to mark Her Majesty the Queen's birthday.

Asked what he believes is best for future politics, ACM Kaset said:

"I want to see a stable form of politics. There should be fewer politial parties. I want the forthcoming general election to be held on a party team system so there are fewer parties in Parliament.

"With only a few parties there, the Government would have to be more careful as it could be ousted easily."

He said he opposes individual candidates as this system has resulted in MPs from too many parties in Parliament.

ACM Kaset's opinion drew criticism from politicians opposed to the party slate system. His view is repeatedly voiced by the newly- formed Samakki Tham Party, they said.

The draft constitution, which has yet to be sent to the National Legislative Assembly [NLA] for consideration, proposes larger constituencies each with not more than seven MPs. Individual candidates would remain.

Democrat Party deputy leader Marut Bunnak, a former Bangkok MP, said the party slate system, where a voter casts only one ballot for all candidates of one party, would enable wealthy influential people to get elected. Good candidates with limited campaign funds would be disadvantaged.

This system would be tantamount to forcing people to elect a group of people into Parliament against their will because some of those in the group may not be suitable representatives.

In the provinces, people tend to opt for individual candidates rather than parties. They want to ensure they get good people into parliament, Mr Marut said.

National Legislative Assembly chairman Ukrit Mongkhonnawin's proposal for proportional representation system is better than the party slate, he said.

"The party slate system is unnatural. MPs elected this way will not be able to visit people throughout the constituency and the election expenses will be high."

The system had been applied several times but proved unpopular and was scrapped, he said.

Chaturon Chaisaeng, a former MP for Chachoengsao who is now with Gen Chawalit Yongchaiyut's New Aspiration Party, said if the party slate system is used people will lose their right to elect the politicians they want.

By retaining individual candidates, people can make their choice on the merits of the person or the party.

With party slates, influential and wealthy candidates can be elected and then take no responsibility for their constituents, he said.

Mr Chaturon said it is good that ACM Kaset spoke out, adding:

"ACM Kaset should have made public a long time ago his support for the Samakki Tham Party."

Samakki Tham has repeatedly indicated that it wants party slates and has said it wanted Army Chief Gen Suchinda Kraphrayun as prime minister.

Now the situation has changed, Samakki Tham seems to lean towards ACM Kaset, Mr Chaturon said, adding there are doubts about whether the party is now for Gen Suchinda or for ACM Kaset.

Phalang Tham Party leader Chamlong Simuang said he personally does not like either voting system as they have proved ineffective. He prefers proportional representation.

Regardless of what system is adopted, his party is ready for the election, he said.

ACM Kaset said he supports Gen Suchinda as prime minister.

Asked if he is thinking about resignig before mandatory retirement age—now that Gen Suchinda has said he will not remain as Army Chief until his retirement—ACM Kaset said:

"Me? If I was offered the prime ministership I would resign from the (Air Force) post," ACM Kaset said.

He denied he has been coordinating activities between the Chat Thai Party and Samakki Tham, adding he can talk to anybody and associate with every party.

"I want only to see the country's politics proceed correctly without cheating. I know very little about politics; to little to be a politician."

He dismissed as hearsay reports that Samakki Tham is supported by Class 5 Chulachomklao Royal Military Academy graduates as a support base for Gen Suchinda to become prime minister.

"Any party that has a majority can set up a government and has the right to nominate a person as prime minister."

ACM Kaset said Prachakon Thai Party leader Samak Suntharawet's suggestion that leaders of political parties be allowed to take part in scrutinising the draft constitution would be against the law because this is the duty of the NLA.

"Everyone is free to express an opinion. NLA members have the right to propose a change to any article of the draft constitution. The majority in the NLA will make a final decision."

The National Peace-keeping Council is also open to criticism but this must be within the law, he said, defending the body against criticism that it has done nothing to establish democracy.

"What is going on now is democratic. The NPKC is democracy- minded, not having made itself a government.

"Who seized power in the past and did not make themselves the government." Have any other coup makers ever said there would be an election in one year?"

Chawalit on Military's Role in Politics

BK1308024591 Bangkok BANGKOK POST in English 13 Aug 91 p 3

[Text] New Aspiration Party [NAP] leader Gen Chawalit Yongchaiyut yesterday joined the call for the military to wash its hands of politics and to withdraw quickly from the political arena.

The former Army chief said he agrees with Magsaysay Award winner Dr Prawet Wasi that the military should withdraw quickly from politics or things will snowball into a political crisis that will harm the armed forces and the country.

"I agree with Dr Prawet, who is trying to push for the NPKC [National Peacekeeping Council] to build a real democracy here as it promised the people and then wash its hands of politics. Everyone agrees on this," Gen Chawalit said.

He said that a real democracy must be where the people have a role to play in the administration of the country and have full freedom.

However, he softened the comment by saying that the National Peace-keeping Council is also trying to do this but has gone after things that are not yet "necessary"—like the vote-buying problem.

"I think everyone must give the NPKC love and explain the situation to it," Gen Chawalit said.

The former Army chief, who previously criticised politicians for buying votes, said not all people had sold their votes and not all MPs are bad. There are many good politicians.

Asked about vocal criticism that the NPKC is trying to lay down a political power base in the Constitution and Armed Forces, Gen Chawalit said people have to be "cool" about this and tell the NPKC that it is difficult to achieve.

On Thailand's image abroad following the coup, he said:

"It's difficult. Everyone thinks it shouldn't happen in a developing country. There should have been no more coups."

He agreed with academics' call for an elected prime minister, saying this is an important principle of democracy, as is the distribution of power.

Gen Chawalit said Interior Ministry officials should discuss the proposed selection of kamnan and village headmen with grassroots leaders. They should not be in a hurry and should think mainly about giving the people participation in the administrative system.

The ministry should first take care of the more important issue of low wages for kamnan and headmen.

Sqn Ldr [Squadron Leader] Prasong Sunsiri, an executive member of the NAP, said the military and its leaders always say they will not get involved in politics but their coup negated this.

The soldiers stepped in to tackle problems that could not be tackled by the parliamentary system and they should now step back.

Sqn Ldr Prasong said Dr Prawet's comment reflects the opinion of ordinary people who do not mind the military stepping in but want it now to withdraw and confine itself to military matters.

He said the best way for the military to withdraw is to hold a general election as quickly as possible without worrying about the constitution and the electoral law. The elected MPs should be responsible for handling these problems later.

The prime miniter should be elected. Only this will guarantee the power of the people since they will do the choosing.

Sqn Ldr Prasong said if the NPKC does not withdraw and tries to lay down a political base to extend its power the NPKC and the country will be harmed.

"Every circle is watching. They want to help the NPKC.

"I and my party leader do not wish them harm. We just want to see them walk the right path; that's all the people want."

Interior Ministry Drops Plan for Godfather Law

BK1308022991 Bangkok BANGKOK POST in English 13 Aug 91 p 1

[Text] The Interior Ministry has dropped its plan for a special law to empower authorities to deal exclusively with all chao pho or godfathers, Deputy Permanent Secretary Chamnan Photchana said yesterday.

The law, which would have empowered police to seek court permission to detain people regarded as chao pho without their being charged, has run into strong protests from human rights groups who brand it a violation of the rule of law.

Mr Chamnan said there is no need for such a law because the Criminal Code has specific measures for people regarded as endangering society.

Authorities are empowered to hold them in custody, prohibit their entry to a specified area, or to keep them in custody in a hospital. Therefore, godfathers are covered.

Meanwhile, a spokesman for the Office of the Supreme Attorney- General, Sub-Lt Wichit Yusuphap, said the office has already set up the Safety Measures Division to deal with people regarded as a threat to society.

The public prosecutor could seek court permission to keep a person in custody or to restrain the movement of a person if he is deemed to be a social menace, he said.

Banishing a person to an isolated island could not be done under the Criminal Code but might be possible under Article 27 of the interim constitution.

Interior Ministry Modifies Chief Selection Plan

BK1408070191 Bangkok THE NATION in English 14 Aug 91 pp A1, A2

[Text] The Interior Ministry has toned down its proposed system that would end direct elections of village and tambon leaders, so that villagers would have more say in nominating their local administrators.

Deputy Permanent Secretary for the Interior Chuwong Chayabut said yesterday that villagers would be allowed to nominate five people to be chosen as village headman by a district committee. The district committee would no longer nominate candidates, but the appointment would have to be approved by the provincial governor, Chuwong noted.

Apparently in response to mounting opposition by current village headmen and student activists, the system was changed from the initial one proposed by the Local Administration Department [LAD].

Under the LAD-proposed system which drew a chorus of criticism from village headmen, kamnan (tambon leaders), and student activists, villagers would propose three candidates and the district committee another three. The district chief would then choose a village headman from the six candidates and seek the provincial governor's approval for his appointment.

The village headmen elected under the proposed system, both before and after the amendment, would hold their office only five years instead of until their death or retirement as is the current practice.

But the amended system would still reserve the governor's right to reject the villagers' choices if the governor felt that the five nominees were not qualified, Chuwong said.

Chuwong said the new system for choosing village headmen would eliminate vote-buying in local elections and would guarantee that no people affiliated with political parties would be made the grassroots administrators.

Critics said if the provincial governors had a final say in appointing the grassroots administrators, the governors would become much more influential.

Chuwong said he and Permanent Secretary for the Interior Charoenchit na Songkhla and LAD Director General Chalong Kanlayanamit would soon go on TV to explain the new "selective" system for village headmen.

Sources said the the TV programme would be taped today.

The ministry reportedly plans to submit the proposal, an amendment to the Local Administrative Act of BE [Buddhist Era] 2457 (1914), to the Cabinet early next month.

Village headmen and kammnan from throughout the country reportedly plan to hold a series of demonstrations against the ministry's plan. The local officials said last week that most of them were opposed to the plan for fear that politicians would exploit the frequent changes at the local level to put their men at posts in villages and tambons.

The Association of Village Headmen and Kamnan of Thailand announced yesterday that it would join forces with student activists to fight against the ministry's plan.

The association's secretary general, Charoen Siriratsuwan said he had heard that the Students Federation of Thailand (SFT) wanted to join the village headmen and kamnan in fighting the plan.

Charoen said he would fully cooperate with the students when asked to.

On the part of his association, Charoen said, he planned to submit a letter of protest against the plan to Interior Minister Gen Itsaraphong Nunphakdi in a few days.

He said about 500 village headmen and kamnan had signed the letter of protest.

The SFT yesterday submitted a letter to Itsaraphong to denounce the plan to end the villagers' right to directly elect their leaders as "an attempt to seize power from the people and to destroy democracy".

SFT Secretary General Parinya The Thewanarumitkun said the plan would run against the basic principles of democracy.

He said the system would give district chiefs and provincial governors more influence, and accused the military of trying to expand its power base to the village and tambon level.

The student leader said he would cooperate with village headmen and kamnan nationwide to fight against the Interior proposal.

Editorial on Election Plan

BK1408051591 Bangkok THE NATION in English 14 Aug 91 p A9

[Editorial: "Too Dictatorial To Teach People About Democracy"]

[Text] Interior Minister Gen Itsaraphong Nunphakdi's stated policy of revolutionizing the selection of kamnan (community leaders of a tambon) and phuyaibaan (village leaders) is three-fold. First, the new process must work against vote-buying. Next it must subject all incumbent kamnan and phuyaibaan to a periodical scrutiny by voters as well as authorities. And lastly it must be democratic.

Planners in the Interior Ministry, led by Deputy Permanent Secretary Chamnan Potchana, have formulated a new selection process by mixing the current method of election with official screening and appointment by authorities. It works like this: In a village, voters will first select the three most qualified candidates for the phuyaibaan post (or kamnan as the case may be). At the same time, a local screening committee appointed by the district chief administrator will select three candidates (who may or may not be the same as those voted by the villagers).

The names of the 3-6 candidates will be sent to a district-level screening committee headed by the district chief administrator for final selection. The committee will submit the name of the most qualified candidate to the provincial governor for official appointment to a five-year term.

Under this process, however, only one of the three policy objectives could be met. By fixing the term of kamnan and phuyaibaan at five years, all the local leaders will have to justify their re-election and reappointment at least every five years. Such periodical scrutiny is nonexistent under the current process in which a kamnan or phuyaibaan stays in office until the official retirement age of 60. Since the minimum age for either or these posts is 25, a kamnan or phuyaibaan can serve up to 35 years. This is certainly long enough for any smart local leader to build up a sphere of political influence and amass a fortune.

Kamnan and phuyaibaan are widely used as vote canvassers for politicians in provincial and national elections because of their influence and popularity among the local voters. Reselecting a kamnan or phuyaibaan every five years may not change the local political landscape in a tambon or village to any significant extent.

Thus the Interior Ministry planners want district chiefs across the nation to play a major role in screening the candidates and thereby weeding out "undesirable" influential figures. They assume that the district chiefs, who are themselves periodically transferred from place to place, can tell a "good" candidate from an undesirable one.

However, chances are that the main criteria for the screening will be who sees eye to eye with the district chief and who doesn't; those who are too independent may be seen as potential troublemakers and struck out. In practice, the district chief can overrule the people's wishes by nominating someone not elected by them. This is blatantly undemocratic.

The Interior Ministry planners defend the proposal by stressing that they consider kamnan and phuyaibaan the "limbs" of the Interior Ministry, not "mouths" of the people. Therefore the Interior Ministry intends to maintain close control over the selection of kamnan and phuyaibaan in order to "use" them efficiently.

This is a hopelessly archaic attitude which will obstruct democratization in this country. If we want Thai people to appreciate parliamentary democracy, we should first of all allow them to elect the local administrators closest to them and whose performance concerns their livelihood directly.

The Interior Ministry planners counter this argument by pointing out that kamnan and phuyaibaan serve on the executive branch of the government administration. On the legislative branch, the people already have elected representatives on the municipal council, the provincial assembly, and, of course in Parliament's House of Representatives.

But this is to overlook the fact that elected leaders of any level of government are preferable to non-elected ones as far as democratic principles are concerned. More and more progressive politicians support the call to elect all the provincial governors, as in Bangkok.

If the Interior Ministry continues to maintain dictatorial control over all the provincial administrations outside Bangkok, it had better stop all the current campaigns to propagate democratic principles at the grass-roots level. Otherwise the people will be very confused, because the Interior Ministry apparently does not intend to practice what it preaches.

Vietnam

Decrees on Private Business, Companies Issued

BK1408114091 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 30 Jul 91

[Text] On 23 July, Chairman of the Council of Ministers issued Decree 221 and Decree 222 regulating concrete articles relating to the Private Business Law and the Company Law.

Decree 221 consists of 10 articles defining the prescribed capital in private business. The decree deals with the prevention of people from forming private businesses, the issuance of licenses to form private business, the time limitation in issuing license registration for private businessmen, areas receiving concessions in private business, the areas of private business which must conform with all conditions of related ministries and provincial people's committees, and so forth.

Decree 222 consists of 10 articles defining the prescribed capital of limited companies and shared companies in every industry and trade. It states that people cannot form companies or work in the management board of a company, directs the responsible state office to assess and issue company licenses, gives the time limitation for the issuance of company licenses, lists the areas receiving concession and concession policies of the state, and so forth.

Reportage Continues on National Assembly Session

BK1308121391 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 11 Aug 91

[Text] Last week, which marks the second week of the Ninth Session of the Eighth National Assembly, the deputies heard the following:

—A report by Comrade Vo Van Kiet who, on behalf of the Council of Ministers, briefed the National Assembly on implementation of the National Assembly's resolution on the socioeconomic tasks for the first six months of this year and the pressing socioeconomic tasks for the latter half of the year.

—A briefing by a representative of the Economics, Planning, and Budget Committee on the latter's report on the Council of Ministers' socioeconomic report.

—A report by the minister of labor, war invalids, and social welfare who, on behalf of the Council of Ministers, briefed the National Assembly on the orientations and guidelines for wage adjustment.

—A briefing by a representative of the Economics, Planning, and Budget Committee on the latter's report on wage adjustment.

—A briefing by a representative of the Council of Ministers on a plan for redelineating the administrative boundaries of provinces and cities. The plan is to be submitted to the National Assembly for decision.

On behalf of the Council of Ministers, the minister of foreign affairs informed the deputies of our state's diplomatic activities in the first six months of this year. A representative of the National Assembly Foreign Relations Committee expressed his opinions about this report on our state's diplomatic activities.

The National Assembly also heard the chief justice of the Supreme People's Court report on the activities of the court in the first six months of this year. The director of the Supreme People's Organ of Control briefed the deputies on the performance of the control sector in the first six months of this year.

Next, after holding group debates, the National Assembly deputies met in the conference hall to discuss the implementation of the socioeconomic tasks for the first six months of this year; the urgent measures for implementing the socioeconomic tasks from now until the end of this year; the orientations for wage adjustment; the redelineation of some provinces and cities; and the draft laws on forest preservation and development, protection, care for, and education of children, and universalization of primary school.

Toward the end of the week, the National Assembly heard Comrade Do Muoi's proposal that he be relieved from his post of chairman of the Council of Ministers. The National Assembly accepted Comrade Do Muoi's proposal so that he can concentrate efforts on fulfilling the new duty entrusted to him by the seventh party congress.

The National Assembly elected Comrade Vo Van Kiet, member of the Political Bureau, to the post of chairman of the Council of Ministers.

The National Assembly also accepted the proposals of a number of comrades that they be relieved from their positions of vice chairman of the Council of Ministers, minister, or chairman of the State Science Commission. The National Assembly then elected additional members of the Council of Ministers.

Also during this second week, the National Assembly heard the governor of the State Bank; the minister of finance; the minister in charge of government organization; and the minister of communications, transportation, and post and telegraph answer a number of issues raised by the National Assembly deputies relating to banking and financial services as well as communications and transporation.

Today, the deputies will meet in a plenary session to pass the draft laws and resolutions of the ninth session of the Eighth National Assembly and to participate in a ceremony to close the assembly's session.

Socioeconomic Situation Discussed

BK1308135791 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 8 Aug 91

[Report by station correspondent Huy Toan on 8 August plenary meeting of the ninth session of the Eighth National Assembly—portions recorded]

[Summary] "Dear friends, yesterday afternoon, 8 August, the National Assembly held a plenary meeting at the Ba Dinh Conference Hall in Hanoi to discuss the Council of Ministers' report on the socioeconomic situation during the first six months of 1991 and pressing socioeconomic issues for the second half of this year. National Assembly Chairman Le Quang Dao directed the session.

"Earlier on 6 August, deputies held group discussions to appraise the socioeconomic situation during the first half of 1991 and set forth measures to triumphantly implement plans for the second half of the year.

"During the three-hour animated debate at the conference hall yesterday afternoon, the National Assembly heard 15 deputies, representing various delegates, present their viewpoints on the Council of Ministers' socioeconomic report."

Generally speaking, the majority of National Assembly deputies expessed their identity of views on the socioeconomic report delivered by comrade Vo Van Kiet, on behalf of the Council of Ministers, at the 5 August plenary session.

The deputies felt more confident when Comrade Vo Van Kiet stressed in his report that despite numerous difficulties and ordeals in production and in implementing the socioeconomic development programs during the past six months, the Council of Ministers has scored achievements in stabilizing the price of grain throughout the country, improving distribution and circulation of materials and goods, strengthening activities of state-run enterprises, and improving the daily life of laborers.

Nevertheless, many deputies frankly criticized the Council of Ministers' performance during the past period, and pointed to the main factors causing difficulties for the nation.

Dealing with these factors, Deputy Truong Ton Kha from Ha Nam Ninh Province said that unappropriate policies and regulations still exist and should be revised, agricultural production should be reorganized, and activities of the banking and financial sectors should be strengthened to effectively implement the socioeconomic development programs.

"Regarding industrial production, deputies from Ho Chi Minh City, Quang Nam-Danang and Hau Giang Provinces suggested that the state should encourage enterprises having great potential and having attained some profits to increase their production output, while monitoring activities of enterprises operated at a loss and dissolving them if warranted."

Dissusing measures to improve industrial production, many deputies called for efforts to promote foreign investment, strengthen business accounting, develop a multicomponent commodity- based economy, and expand markets for domestic products. Some also suggested measures to streamline personnel of state agencies at the central and provincial levels to reduce expenditure, strive to create more jobs for youths, and improve the daily life of Vietnamese workers.

Deputies also extensively discussed issues related to agricultural production. "Deputies from Hai Hung, Ha Son Binh, Dong Thap, and Cuu Long Provinces contended that one of the main causes resulting in the damage of almost one million tonnes of grain in the northern delta provinces recently was the poor production management, unreliable weather forecast, and lack of experience in crop planting."

Dear friends, in the spirit of openness, realizing the real situation, and accepting constructive criticism, the National Assembly has raised many issues of and shortcomings in implementing the socioeconomic development programs during the past period. Tomorrow, 9 August, the National Assembly will discuss measures to overcome pressing socioeconomic issues during the second half of this year.

Leaders Recieve Deputies

BK1308145591 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 12 Aug 91

[Text] In Hanoi on 11 August, Comrade Phan Van Khai, member of the Communist Party of Vietnam Central Committee Political Bureau and vice chairman of the Council of Ministers, and Nguyen Ha Phan, secretary of the party Central Committee, received a group of National Assembly deputies of the nonstate industrial sector to hear their viewpoints on measures to overcome difficulties, improve production and business, and their plan to establish a representative office of the sector.

Many deputies briefed the two leaders on the difficulties and achievements in implementing the Sixth CPV Central Committee Political Bureau's Resolution No. 16 during the past three years as well as the current industrial and handicraft production situation of the nonstate industrial sector.

In his address to the group, Comrade Pham Van Khai highly appraised the latent potential of and great contributions by the nonstate industrial sector to the socioeconomic life of the country. He also expressed his identity of views on the viewpoints of these deputies advocating for more policies and agencies to promote production and business activities of the nonstate industrial sector in accordance with the spirit of the Seventh CPV Congress resolution.

France Donates Satellite Monitoring Equipment

BK1408012891 Hanoi VNA in English 1332 GMT 13 Aug 91

[Text] Hanoi VNA August 13—The Vietnam Television (VTV) has received a complete set of equipment for monitoring satellite TV programmes as gift from the French Government.

With the new equipment, Vietnam now can pick up overseas satellite programmes of the French television and programmes of some other countries.

In a ceremony held here yesterday in the presence of Minister of Culture, Information and Sports Tran Hoan, and French Ambassador Claude Blanchemaison, Pham Khac Lam, general director of VTV expressed heartfelt thanks to the French government for its precious. [sentence as received]

Australia

Hawke Angry at Sale of Subsidized Saudi Wheat

BK1408061291 Hong Kong AFP in English 0524 GMT 14 Aug 91

[Text] Sydney, Aug 14 (AFP)—Australian Prime Minister Bob Hawke reacted angrily Wednesday to reports that 25,000 tonnes of subsidised wheat from Saudi Arabia were on the way to New Zealand, Australia's closest trading partner.

"The world is going crazy when you have subsidised Saudi Arabian sales of wheat to New Zealand," Hawke told journalists in Melbourne. He said he was concerned about "the basic fundamental insanity of a world which has not got the brains" to free up international trade.

The sale was also reported to have caused outrage in New Zealand where officials say it will have serious implications for farmers.

The shipment, said to have been arranged through an Australian subsidiary of a French multinational, was the latest and most savage blow yet to Australia's wheat farmers.

It follows recent offers of heavily subsidised U.S. wheat to Yemen, Algeria, China and Kuwait, which have severely undercut Australian offers and led to a storm of protest here.

Hawke said his government would seek talks with Saudi Arabian officials over the deal.

The Saudi wheat is reported to be priced at 85 to 90 U.S. dollars a tonne, slightly more than the recent U.S. price but at least 50 U.S. dollars less than the unsubsidised Australian price.

The Australian Wheat Board (AWB) said this week that recently subsidised sales into traditional Australian markets were likely to cost Australian growers about one billion dollars (780,000 U.S.) in the coming season.

Australian and U.S. Government officials are due to meet in Washington Thursday for talks on the effects on Australian markets of a trade subsidy war between the United States and Europe.

AWB Chairman Clinton Condon warned that consumers here and in New Zealand would "look very, very carefully" at any Australian-based company buying heavily subsidised Saudi wheat to sell in New Zealand in competition with New Zealand farmers.

Interviewed on radio, Condon said he was not angry an Australian-based company was acting as go-between because it was the normal role of a trading company to set up deals. But some in the farming community may choose not to deal with the company, he said.

Government To Toughen Refugee Application Process

BK1308124891 Hong Kong AFP in English 1053 GMT 13 Aug 91

[Text] Canberra, Aug 13 (AFP)—The Australian Government Tuesday announced tough new regulations for refugee applicants following evidence of exploitation and a surge in applications during the past two years, especialy from China. Immigration Minister Gerry Hand told reporters that applications for refugee status would now have to be lodged within 28 days of the person announcing their intention to apply.

He said the move was aimed at streamlining the asylum system, which showed evidence of exploitation. The average annual number of asylum seekers, about 500 during the 1980s, has risen since 1989 to 17,000 a year.

"The number is growing at the rate of 1,000 a month," Hand said. Of those, about 60 percent were nationals from the People's Republic of China.

"There are clear signs that the system is being misused by some individuals who are cynically seeking to extend their stay in Australia by whatever means available," he said.

Some migration agents "boldly advertise in ethnic newspapers that a refugee application guarantees protracted stay in Australia."

Under the previous system, a person who arrived on a visitors' visa could wait until it expired and they were found to be illegal before stating their intention to apply for refugee status.

Thereafter, there was no time limit on when they lodge their refugee application and some people were taking "upwards of a year" to put in claims. Some migration agents even advised clients to lodge applications that were "thin" on information, to delay processing even further.

"Now, these people are going to be found out very quickly and the operators who are encouraging people to do this will become exposed," Hand said.

New Zealand

Farmers Unhappy, Cautious on Buying Saudi Wheat

BK1408065091 Hong Kong AFP in English 0637 GMT 14 Aug 91

[Text] Wellington, Aug 14 (AFP)—New Zealand farmers were Wednesday taking a cautious line over plans to import 25,000 tonnes of heavily-subsidised Saudi Arabian wheat.

The farmers' union, Federated Farmers, said the wheat could severely harm the country's grain growers, but they are also worried any row could damage New Zealand's multi-million dollar live sheep trade with Saudi Arabia.

The farmers' Arable Section Council Chairman Stuart Collie said he was being careful not to criticise the source of the wheat but instead the level at which it had been subsidised. Growers were apparently paid over four times the cost of landing it in New Zealand.

Collie and other federated farmers' executives Wednesday urged Commerce Minister Phillip Burdon to impose countervailing duties against shipments of subsidised wheat which undercut New Zealand growers.

"We're rather sensitive about even quoting the source of this product because of the implications it has for the live sheep trade," collie said. "I'm not interest in quoting the source. It is just totally inappropriate for farmers to be subject to wheat subsidised at that level.

"There has been concern about imports of subsidised grain, but until now the shipping costs have meant countervailing duties have not been needed.

"But we believe this latest proposal is for wheat to be placed here on-spec, with the growers being paid over four times the price at which it will be landed here," collie said.

Live sheep exports to Saudi Arabia from New Zealand ran into trouble last December when a shipment of 65,000 sheep was rejected on health grounds, the first such rejections since the trade started in 1985.

Until then, New Zealand had exported one million sheep a year to Saudi Arabia in a trade valued at between 35-40 million New Zealand dollars (20-23 million U.S. dollars).

New Zealand last year imported 108,000 tonnes of wheat from Australia, and normally when wheat was not able to be sourced from Australasia it was bought from the United States.

Since the wheat industry was deregulated in 1987, New Zealand has dropped from nearly 100 percent self-sufficiency in milling wheat to only about 50 percent, largely because at some times of the year flour-makers can get better quality wheat cheaper in Australia.

Defense Chief Sees No 'Obvious' Military Threat

BK1408060091 Melbourne Radio Australia in English 0500 GMT 14 Aug 91

[Text] The New Zealand Army chief of general staff, Major General Bruce Meldrum, says he does not see any obvious sign of a military threat in the South Pacific at present. Gen. Meldrum was speaking in Honiara at the end of a four-day visit during which he inspected combined field exercises involving Solomon Islands police and New Zealand troops.

Gen. Meldrum said that although some regional disagreements do exist, there are no obvious signs of any military threats. However, he cautioned that this does not mean New Zealand and other military powers in the region should drop their preparedness but rather they should maintain vigilance for the unexpected.

On the concept of a joint South Pacific military force, Gen. Meldrum said New Zealand was cautious about such an idea as there were political, financial, and administrative considerations which would need to be addressed.

Gen. Meldrum's visit to Solomon Islands is part of a tour of Papua New Guinea, Vanuatu, Western Samoa, and Tonga to look at defense cooperation programs between New Zealand and South Pacific countries.

Papua New Guinea

Republican Move Underway To Cut Ties With UK

BK1408063491 Melbourne Radio Australia in English 0500 GMT 14 Aug 91

[Text] Moves are underway in Papua New Guinea for the country to cut formal ties with Britain's Queen Elizabeth and become a republic. Justice Minister Narakobi says he will seek endorsement of his idea from his political party, the Melanesian Alliance, at its national convention next week.

The Queen, as the head of state, is represented locally by a governor general who is appointed by the Papua New Guinea Parliament.

Narakobi said the abolition of the Governor General's Office in Papua New Guinea will lead to social, economic, political reconstruction in the country.

Minister Orders Inquest Into Bougainville Deaths

BK1408035691 Melbourne Radio Australia in English 0300 GMT 14 Aug 91

[Text] Papua New Guinea is to conduct coroner's inquest into all deaths on the rebel-held island of Bougainville. Attorney General and Justice Minister Bernard Narakobi announced in Port Moresby that a judicially determined coroner's inquest would help the government establish the truth behind the many deaths on the island.

More than 4,000 people are estimated to have died on Bougainville during a secessionist rebellion now entering its third year. Many deaths allegedly involved atrocities by Papua New Guinea security forces and the Bougainville Revolutionary Army.

The announcement of the Bougainville inquest came as both government and rebel leaders proposed for another round of peace talks scheduled for 26 August.

The government team will be lead by Mr. Narakobi and the foreign minister, Sir Michale Somare.

Bougainville Calls PNG Leaders 'Cowardly'

BK1308094091 Hong Kong AFP in English 0916 GMT 13 Aug 91

[Text] Honiara, Aug 13 (AFP)—The Bougainville Interim Government on Tuesday branded the Papua New Guinea [PNG] Government as "cowardly" for attempting to ban Bougainvilleans leaving the country via the Solomon Islands or Australia.

Port Moresby "is not only cowardly but undemocratic, uncivilised and out of tune with the norms of civilised practices of the free world," the interim government of the rebel-held island said in a statement released here.

The statement was issued following reports of efforts by Port Moresby to force the Solomons and Australia to ban Bougainvilleans entering their countries.

The Australian High Commission here recently issued a visa for Joseph Kabui, the head of the Bougainville Interim Government, to travel through Australia to attend a conference in [word indistinct].

A three-man delegation from Port Moresby is to arrive here Wednesday and is expected to pressure Honiara into restricting Bougainville leaders entering the Solomons.

The government here has agreed to allow Bougainvilleans to enter on humanitarian grounds to receive medical treatment or buy food.

Vanuatu

Prime Minister Appoints Three New Ministers

BK1408104891 Hong Kong AFP in English 0914 GMT 14 Aug 91

[Text] Port Vila, Aug 14 (AFP)—Vanuatu Prime Minister Walter Lini appointed two new ministers to his cabinet Wednesday following his sacking the previous day of three ministers he accused of disloyalty.

Andrew Welwel was given the agriculture portfolio and Robert Karie became trade and commerce minister.

The minister for finance, housing and constitutional matters, Sethy John Regenvanu, was given the additional title of foreign affairs minister.

In a 15-minute radio broadcast Wednesday, Lini said he no longer had confidence in the three he had sacked, Edward Natapei, Jack Hopa and Jimmy Meto Chillia.

He accused them of disloyalty, citing as evidence their attendance at last week's special Vanua'aku Party congress. The congress voted unanimously to remove Lini as party president.

Executive Meets To Discuss Rift in Ruling Party

BK1408070691 Melbourne Radio Australia in English 0500 GMT 14 Aug 91

[Text] In Vanuatu, the new executive of the ruling Vanua'aku Party has held its first meeting with the main agenda being the divisive split within the party. The split, which is causing serious divisions within the country, was formalized one week ago at a special congress held in defiance of the outgoing president and prime minister, Walter Lini.

Father Lini, who has led Vanuatu since independence from Britain and France in 1980, has refused to accept his loss of leadership. Yesterday, he sacked three more ministers saying there were dismoraled [as heard]. This brought to eight the number of ministers sacked in the past year leaving only Father Lini and one other from the original cabinet.